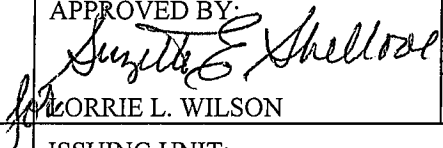


☒ R/W MANUAL CHANGE

RWMC- 177

☐ PROCEDURAL HANDBOOK
(1984 Edition)

RWPH-____-____-____
TRANSMITTAL#____

TITLE: UTILITY RELOCATIONS		APPROVED BY:  CORRIE L. WILSON	AUG 20 2008 DATE ISSUED: 8/20/08
SUBJECT AREA: CHAPTER 13 – UTILITY RELOCATIONS		ISSUING UNIT: OFFICE OF UTILITIES AND ORGANIZATIONAL DEVELOPMENT	
SUMMARY OF CHANGES: Updates Sections 13.01.00.00, 13.02.00.00, 13.03.00.00, 13.04.00.00, 13.07.00.00, 13.08.00.00, 13.09.00.00, 13.10.00.00, 13.12.00.00, 13.13.00.00, and 13.14.00.00 of Chapter 13 and Table of Contents for these sections.			

PURPOSE

This manual change updates Sections 13.01.00.00, 13.02.00.00, 13.03.00.00, 13.04.00.00, 13.07.00.00, 13.08.00.00, 13.09.00.00, 13.10.00.00, 13.12.00.00, 13.13.00.00, and 13.14.00.00 of Chapter 13 and Table of Contents for these sections.

Formatting update was applied and, where applicable, general typographical errors were corrected.

PROCEDURES

Section 13.01.00.00

13.01.02.04, Adds note for encroachment exception.
13.01.02.13, and
13.01.04.00

Section 13.02.00.00

13.02.04.00 Adds note for encroachment exception.

Section 13.03.00.00

13.03.01.00 Clarifies previous positions.
13.03.01.01 Adds clarification "NOTE" on Environmental Reevaluation – minor wording changes.
13.03.01.03 Deletes ratepayer/taxpayer statement – adds Utility Coordinators should avoid relocations where possible.
13.03.01.05 Adds that Utility Coordinator must work with the PE to ensure replacement easements are included in the Environmental document.
13.03.01.06 Adds the requirements that all Third Party Consultant Agreements over \$250,000 must be submitted to Audits for preaward evaluation.
13.03.02.00 Adds additional steps in utility verification and that facilities not on project plans are not Federal-aid reimbursable.

13.03.02.01	Changes title to "Preparation of Verification Maps" and minor wording changes.
13.03.02.02	Adds CPUC General Order 128 which requires owners to provide facility locations.
13.03.03.00	Adds State's Positive Location Contractor and task orders to section.
13.03.03.01	Changes title to "Positive Location Agreements (PLAs)" - total rewrite of entire section. Covers PLAs with utility owners.
13.03.03.02	Changes title to "Positive Location (Pos-Loc) Contracts" - total rewrite of entire section. Covers Pos-Loc with contractors.
13.03.03.03	Changes title to "Positive Location Task Orders" - total rewrite of entire section. Covers the issuance of Task Orders with State's contractors.
13.03.03.04	Changes title to "Positive Location Requirements for High Risk Utility Facilities" - total rewrite of entire section. Covers PE's responsibilities regarding high risk facilities.
13.03.03.05	New section added - "Liability for Ordered Positive Locations." Covers both State contractor situations and when the utility owner does not have a PLA with the State. Renumbered from 13.03.03.02.
13.03.03.06	New section added - "Prevailing Wage Requirements for Positive Location Contracts." Covers Contract Manager's responsibilities in administering the Pos-Loc Contract.
13.03.03.07	New section added - "Contract Manager's Working File." Covers what should be in the Contract Manager's working file.
13.03.03.08	New section added - "Contract Manager Certification under CMIST (Contract Management Information and Specialized Training)." Requires Contract Managers to register with DPAC.
13.03.03.09	Renumbered from 13.03.03.03 - minor requirements added.
13.03.03.10	Renumbered from 13.03.03.04. Deletes 13-EX-4 reference and adds note for encroachment exception.
13.03.04.00	Minor requirements added.
13.03.04.01	Changes title to "Utility Accommodation Policy for Freeways and Exceptions to the Policy." Deletes 13-EX-4 reference and adds note for encroachment exception.
13.03.04.02	Changes title to "Identify CURE/CRZ Conflicts" - adds "CRZ" to section.
13.03.04.03	Changes title to "Conflict Maps/Conflict Matrix." No changes to section.
13.03.04.04	Minor requirements added.
13.03.04.05	Two "NOTES" added to section. Deletes 13-EX-4 reference and adds note for encroachment exception.
13.03.04.06	No changes to section. New Table 13.03-1 added for Standard Special Provisions.
13.03.05.02	Minor wording change. Changed Table 13.03-2 from Metric to English Units.
13.03.06.02	Minor wording change to section and to Table 13.03-3, which is associated with this section.
13.03.06.05	New section added - "Utility Easements on Federal Lands." Procedure to deal with Highway easements on Federal Lands. Defines Utility Coordinator's role and responsibilities.

Minor wording changes were made at: 13.03.01.02, 13.03.01.04, 13.03.02.03, 13.03.05.00, 13.03.05.01, 13.03.06.00, and 13.03.06.04.

Section 13.04.00.00

13.04.01.02	Adds Master Contract language and minor wording changes.
13.04.01.03	Adds new section for "Report of Investigation (ROI) Plan."
13.04.02.00	Adds language for Master Contracts and Positive Location Contracts.
13.04.02.01	Deletes Positive Location language and minor wording changes.
13.04.03.00	Changes "Master Agreement" to "Master Contracts" and minor wording changes.
13.04.03.01	Adds Web Site link and minor wording changes.
13.04.03.02	Adds Web Site link and minor wording changes.

13.04.04.06	Clarifies liability claims under Leases.
13.04.04.08	Adds "privilege" to franchise and other minor wording changes.
13.04.04.10	Changes title to "Joint Pole Agreement Cost Liability Determination" - complete rewrite to show change from "generally conveys rights" to "rarely, if ever, will convey property rights" and adds procedure for handling any Owner claims.
13.04.05.02	Adds "privilege" to franchise and other minor wording changes.
13.04.05.07	Deletes "Master Agreements," changing to "Master Contracts;" and other minor wording changes.
13.04.06.00	Adds definition of "Bridge" and minor procedural change.
13.04.06.01	Adds Owner responsibility - keep conduit free from debris.
13.04.06.02	Clarifies State responsibility - applies to portion of conduit within the State's right of way.
13.04.07.01	Adds information about the AFUDC and minor wording changes.
13.04.07.02	Adds new section on "Contributions in Aid of Construction (CIAC)/Income Tax Component of Contributions and Advances (ITCCA)."
13.04.07.04	Renumbered section - adds new information on Overtime, Wasted Work, and Hazardous Waste Costs.
13.04.07.05	Renumbered section - adds language concerning delay, or canceled projects are not Federal-aid reimbursable.
13.04.07.06	Renumbered section - adds language requiring HQ approval before obligating State on Future Maintenance of Water Conduits.
13.04.07.08	Renumbered section - adds most cost effective language for Undergrounding.
13.04.07.09	Renumbered section - adds language that for Hazardous Material, the District should consult with Environmental.
13.04.08.01	Notation to check Utility Reference File (URF) and minor wording change.
13.04.08.02	Changes title to "Liability Undetermined - Master Contract" and minor wording change.
13.04.09.01	Adds HQ's approval for Liability in Dispute.
13.04.09.02	New section for Liability in Dispute for Master Contracts.
13.04.10.00	Changes title to "Processing Approved Liability Package" - no changes to section.

Minor wording changes were made at: 13.04.01.00, 13.04.01.01, 13.04.02.02, 13.04.02.03, 13.04.04.00, 13.04.04.01, 13.04.04.02, 13.04.04.03, 13.04.04.04, 13.04.04.05, 13.04.04.09, 13.04.05.00, 13.04.05.01, 13.04.05.04, 13.04.05.06, 13.04.07.00, 13.04.08.00, and 13.04.09.00.

Renumbered sections with minor wording changes or with no changes at: 13.04.07.03, 13.04.07.07, 13.04.07.10, and 13.04.07.11.

Deleted former Sections "13.04.07.11 CURE Project Relocations" and "13.04.07.12 Relocation for Non-Highway Use."

Section 13.07.00.00

13.07.03.04	Change from "90 days" to "45 days," per the California Prompt Payment Act.
13.07.03.04 IV-10	Clarification at "NOTE" under "State's Contractor Performs Portion of Work-Owner Liability."
13.07.04.00	Minor wording and formatting change - separated bulleted item into additional bulleted items regarding Phase 4 Construction funding.
13.07.04.01	New section on "Processing a Phase 4 or Phase 5 Utility Agreement where the State's Contractor will be handling all or a portion of the Utility Relocation for the Owner."
13.07.04.02	New section on "Processing a Phase 4 or Phase 5 Construction Funds and a Phase 9 Capital Right of Way Funds as One Utility Agreement."

Minor wording changes were made at: 13.07.02.00, 13.07.03.02, and 13.07.03.05.

Section 13.08.00.00

- 13.08.02.01 Title changed to "Work Performed by State Contractor" - new Sections 13.07.04.01 and 13.07.04.02 are referenced to preparing and processing a Utility Agreement.
- 13.08.03.00 Sentence added to place as a "Bid Item" on Utilities portion of the Right of Way Certification - minor wording change.
- 13.08.03.02 Deleted "Utility Certification for CURE Projects."

Section 13.09.00.00

- 13.09.02.00 "NOTE" added regarding CPUC and non-CPUC – minor wording changes.
- 13.09.03.00 Adds additional or unanticipated work must take place within the original environmental "footprint" and District Coordinator can provide Verbal approval and a revised NTO must immediately be sent.
- 13.09.04.01 Adds that State cost for wasted work is not Federal-aid reimbursable.

Minor wording changes were made at: 13.09.01.00, 13.09.01.01, 13.09.01.02, 13.09.03.01, 13.09.04.00, and 13.09.04.02.

Section 13.10.00.00

- 13.10.02.00 Changes reflect language of Utility Agreement clauses for Owner to bill the State.
- 13.10.02.01 Shows process for compliance with the 45-day Prompt Payment Act.
- 13.10.02.03 Adds Form STD. 209 as the correct form for identifying deficiencies or discrepancy in Owner's billing.
- 13.10.02.05 Changed section from "Progress Payment Billings" to "Payment for Engineering Effort."
- 13.10.02.06 Adds procedure for Final Billing, including the 125% overrun.
- 13.10.02.07 New section added for "Payment Request Form" and separating out cost and coding.
- 13.10.02.08 Adds that for an audit to occur, all payments have been made and JUA/CCUA/Director's Deeds must be processed.
- 13.10.03.00 New section added for "Advance Payments to Owners" showing the State can only advance 90% of funding and Owner must have an interest-bearing checking account. Further, there can be no advances for betterments.
- 13.10.03.01 New section added for "Loan to Owner" - adds instruction for loaning to utility owner and adds link to Web site fund rate chart.

Minor wording changes were made at: 13.10.01.00, 13.10.02.02, 13.10.02.04, and 13.10.04.00.

Section 13.12.00.00

- 13.12.02.01 Minor wording change and delegation to LPA to issue Notices.
- 13.12.02.03 Changes section heading and other minor wording change.
- 13.12.04.00 Utility Coordinator to ensure that relocations involving Private Developer Funding meets all the State's requirements.
- 13.12.05.00 Adds Positive Location payment requirements to Cooperative Agreement Reviews.
- 13.12.05.02 Adds "13-EX-30" to section.

Minor wording changes were made at: 13.12.01.00, 13.12.02.00, 13.12.02.02, 13.12.02.04, 13.12.03.01, 13.12.05.01, and 13.12.05.03.

Section 13.13.00.00

- 13.13.02.00 Clarification of process.
13.13.05.01 Minor wording change and clarification of "Freeway Permit."

Minor wording changes were made at: 13.13.01.00, 13.13.05.00, 13.13.06.01, and 13.13.06.02.

Section 13.14.00.00

- 13.14.02.01 Split a portion of 13.14.02.00 into new Section titled "Nondelegated Relocations."
13.14.03.00 Minor wording change and added "E-76" to title.
13.14.05.00 Adds that minor changes do not need supplemental approval, but need to be documented in the Utility File.
13.14.06.00 Corrects numbering of Section title from 13.14.07.00 and minor wording change.
13.14.07.00 Corrects numbering of Section title from 13.14.08.00 and minor wording change.
13.14.08.00 Corrects numbering of Section title from 13.14.10.00 and minor wording change.
13.14.08.01 Corrects numbering of Section title from 13.14.10.01 and minor wording change.
13.14.08.02 Corrects numbering of Section title from 13.14.10.02 and minor wording change.
13.14.08.03 Corrects numbering of Section title from 13.14.10.03 and minor wording change.
13.14.08.04 Corrects numbering of Section title from 13.14.10.04.
13.14.09.00 Corrects numbering of Section title from 13.14.11.00 and minor wording change from paragraph to bulleted list.
13.14.09.01 Corrects numbering of Section title from 13.14.11.01.

Minor wording changes were made at: 13.14.01.00, 13.14.02.00, and 13.14.04.00.

EFFECTIVE DATE

Immediately.

MANUAL IMPACT

- Remove the superseded pages and insert the attached pages in the Manual.
- Record the action on the Revision Record.

REVISION SUMMARY

<u>Chapter</u>	<u>Remove Old Pages</u>	<u>Insert New/Revised Pages</u>
	Remove the following in its entirety:	Replace with the following in its entirety:
13 - Sections	Table of Contents (REV 12/2007)	Table of Contents (REV 8/2008)
	13.01.00.00 (REV 1/2007)	13.01.00.00 (REV 8/2008)
	13.02.00.00 (REV 1/2007)	13.02.00.00 (REV 8/2008)
	13.03.00.00 (Rev. 6/99)	13.03.00.00 (REV 8/2008)
	13.04.00.00 (Rev. 6/99)	13.04.00.00 (REV 8/2008)
	13.07.00.00 (REV 7/2005)	13.07.00.00 (REV 8/2008)
	13.08.00.00	13.08.00.00 (REV 8/2008)
	13.09.00.00 (Rev. 6/99)	13.09.00.00 (REV 8/2008)
	13.10.00.00 (Rev. 4/2000)	13.10.00.00 (REV 8/2008)
	13.12.00.00	13.12.00.00 (REV 8/2008)
	13.13.00.00	13.13.00.00 (REV 8/2008)
	13.14.00.00 (Rev. 6/99)	13.14.00.00 (REV 8/2008)

CHAPTER 13

UTILITY RELOCATIONS

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13.00.00.00 - UTILITY RELOCATIONS

13.01.00.00 - INTRODUCTION

13.01.01.00 General

This chapter prescribes policies, procedures, standards, and practices for the statewide coordination of utility relocations required for construction of transportation projects. The chapter is organized based on the usual sequence of events from project inception (planning) to project completion (construction). Although it is impractical to include all policy interpretations and instructional material, this chapter does contain the information required to do the job.

In general, Departmental Utility policies apply to public utilities. “Public utilities” are defined as those utilities either publicly, cooperatively or privately owned that provide a product or service, either directly or indirectly, to the public for a fee.

Separate “Utility Reference File” memorandums supplement this chapter and provide background or guidance on subjects that occur less frequently. (See Section 13.01.01.03.)

13.01.01.01 District Utility Coordinator Responsibilities

The District Director is responsible for relocation or removal of utility facilities that are either in physical conflict or in violation of the Department’s utility accommodation policy for transportation projects. This responsibility shall be delegated to the District Division Chief-R/W, who will authorize the District Utility Coordinator(s) to implement the Department’s policies, including the following specific directions:

- Establish files that document actions taken or recommended during the life of a project. (Section 13.01.01.04)
- Prepare route estimates based on possible relocations. Update and revise the estimates, when necessary. These estimates are used for capital and support budgeting needs for current and future fiscal years. (Sections 13.02.04.00, 13.02.04.01 and 13.02.04.02)
- Act as the Department’s primary point of contact with Utility Owners for identifying and verifying all utility facilities lying within existing and proposed rights of way of planned construction projects. (Section 13.03.02.00)
- Coordinate positive location requirements for all High/Low Risk Utility Facilities within the project limits. (Section 13.03.03.00)
- Coordinate with P&M on preparing the FHWA Authorization to Proceed (E-76) for projects that will be federally funded. (Section 13.14.03.00)
- Coordinate “avoidance” of utility facilities and/or transmit identified conflicts to Utility Owners. (Sections 13.03.01.03 and 13.03.04.00 through 13.03.04.04)
- Actively participate on Project Development Teams. (Section 02.02.02.00)

- Obtain and analyze data to allocate cost between Owner and State for all required utility adjustment work and to clearly document, support and, in cases where the State has cost liability, set forth the basis of this finding in a Report of Investigation. (Section 13.05.00.00)
- Assist in preparing and/or reviewing (1) encroachment exception requests and (2) High/Low Risk Policy exceptions. (Section 13.01.04.00)
- Review utility consultant design agreements when required for utility relocation. (Section 13.03.01.06)
- Prepare and approve FHWA Specific Authorization and FHWA Approval of Utility Agreement for federally funded utility work in accordance with delegated authority. (Sections 13.14.02.00, 13.14.04.00 and 13.14.08.00)
- Prepare and issue Notices to Owner, Utility Agreements, and Encroachment Permits in accordance with delegated authority. (Sections 13.06.00.00 and 13.07.00.00)
- Coordinate with P&M on preparing a R/W Certification for proposed construction projects. (Section 13.08.00.00)
- Verify Owner's relocation bills and process for payment when acceptable. (Section 13.10.00.00)
- Coordinate preparation of and review necessary property right conveyances for Owners. (Section 13.11.00.00)
- Provide oversight activities to LPAs and consultants on State highway projects funded by others. (Section 13.12.00.00)
- Provide stewardship role to Local Public Agencies on federally funded Local Streets and Roads projects. (Section 13.12.00.00)
- Coordinate billing and refunding of LPA funds relating to utility costs pursuant to Cooperative Agreement provisions. (Sections 13.12.05.02 and 13.12.05.03)
- Coordinate with the Department's offices, divisions, and branches and external organizations, both public and private, to ensure the above directions are implemented.
- Coordinate with the Department's Encroachment Permits Section regarding review of permits for wireless facilities on conventional highways.

13.01.01.02 **Definitions**

The following definitions are for purposes of the Utility Relocations Chapter and the Department's R/W utility relocations only.

- **FACILITY** - Facility is synonymous with utility facility. A facility is any pole, poleline, pipe, pipeline, conduit, cable, aqueduct, or other structure or appurtenance used for public or privately owned utility services, or used by any mutual organization supplying water or telephone service to its members.
- **OWNER** - Owner is synonymous with Utility Owner. An Owner is any private entity or public body (including city, county, public corporation, or public district) that owns and/or operates a utility facility which directly or indirectly serves the public for a fee.

- **LIABILITY (COST LIABILITY)** - A financial obligation or responsibility to pay for relocation of utility facilities affected by the State's project.
- **POSITIVE LOCATION (POS-LOC)** - Positively determining the existence, location and identification of a utility facility to within 0.5 feet through the use of vacuum excavation, potholing, probing, electronic detection, or a combination thereof as deemed acceptable by the Project Engineer. Refer to the Policy on High and Low Risk Underground Facilities within Highway Rights of Way, Exhibit 13-EX-3, for specific requirements.

13.01.01.03 **Utility Relocations Reference Materials**

The Reference File System has been established by Right of Way as a tool to supplement the R/W Manual in order to provide guidance on infrequently occurring situations, more extensive background information, policy interpretations, and instructional material impractical to include within the basic Manual. The "Utility Reference File" (URF) memorandum has been established as the vehicle to supplement the Utilities Chapter of the R/W Manual.

The District Utility Coordinator is responsible for maintaining a complete set of the "Utility Reference File" memorandums (URFs). To provide a basis for uniform and equitable service to all Utility Owners (Owners), this file is to be made available to all Utility Coordinators. In addition, URFs can be found on the HQ R/W Utility Relocations Intranet Web site at <http://pd.dot.ca.gov/row/offices/utility/>.

All Regions/Districts should also assemble and maintain a library of pertinent, supplemental Utility Relocations reference material to assist the Utility Coordinators in doing their jobs. To help the Districts compile a library, a listing of selected manuals, guidelines, and other references is listed in Exhibit 13-EX-1. It is up to the region/district to obtain the materials.

13.01.01.04 **Utility File and Diary**

The diversity and complexity involved in the relocation of utility facilities and their potential safety impacts make it mandatory that files be established and thoroughly documented. In addition, FHWA regulations [23 CFR 645.119 (c)(1)(iv), Alternate Procedure approval] require documentation of actions taken in compliance with State and Federal policies.

A separate utility file should be established for each involvement on a project. An "involvement" is defined as the issuance of a Notice to Owner for a specific utility facility on one project (EA). For example, if a project has relocations for PG&E-Gas Transmission, PG&E-Gas Distribution, and PG&E-Electric Distribution, it would equal three (3) involvements.

Each District Utility Coordinator should consider the needs and methods of their district and initiate a district procedure for a utility file diary. Each file shall contain all of the mandatory components and shall be organized in a uniform fashion throughout the district.

The utility file shall contain the following items, as applicable:

- Diary notes.
- Copies of the supporting liability documentation.
- Report of Investigation.
- A copy of the Notice to Owner.
- A fully executed wet-ink original of the Utility Agreement.
- A copy of the relocation plans.

- Copies of the E-76.
- Copies of the FHWA Approval of the Utility Agreement and Specific Authorization.
- Any correspondence with Project Engineers, the Resident Engineer, and with other Departmental divisions.
- Any correspondence with Utility Owner.
- Any discussion, meeting, or review of importance that does not generate a document for the file must be recorded in the diary or in a memorandum to the file.

In every instance, the author shall date and sign (or initial) all diary entries and notations in the file. A sample diary is shown in Exhibit 13-EX-2.

13.01.02.00 Applicable Utility Laws and Policies

The following is a selected list of laws, regulations, and policies that shall be uniformly applied.

13.01.02.01 Delegation of Authority

Regions/Districts are authorized to approve all Reports of Investigation (Form RW 13-3), including liability determination, Notices to Owner, FHWA Specific Authorization to Relocate Utilities (Form RW 13-15), Utility Agreements and FHWA Approval of Utility Agreement (also on Form RW 13-15) for all utility relocations and positive locations, in accordance with the policies set forth in this Manual, and appropriate memoranda, with the exception of “liability in dispute.” (Section 13.04.09.00 et seq.) See the Delegation Matrix on the HQ R/W Intranet Web site for any changes to the delegations.

The Department’s agreement with FHWA requires that a Senior Right of Way Agent fully versed in Utility Relocations must make the Region/District approvals. Further delegation to an Associate Right of Way Agent is not authorized under any circumstances.

Region/District approval shall only be granted when all documentation is complete and in the file. Knowledge that documentation is “pending” is not sufficient to place the Region/District in a position to make an approval.

All Region/District approvals will require compliance with current preaward evaluation criteria. (Section 13.05.02.02 and URF 02-2)

As a condition of the delegation to the Region/District, the Report of Investigation Approval Guide (Form RW 13-16) must be completed by the delegated Senior R/W Agent at the time of approval and retained in the utility file. An approved E-76, meeting the criteria specified in Section 13.14.02.00, must be received prior to the approval of any FHWA Specific Authorization.

Additionally, as part of our agreement with FHWA under the Alternate Procedure, the delegated Senior R/W Agent must complete form FHWA Guide for Review of Utility Agreements (Form RW 13-17) for every relocation where Federal aid funding will be sought.

Delegated Senior R/W Agents are to fully review and familiarize themselves with the FHWA publication Program Guide: Utility Adjustments and Accommodation on Federal-Aid Highway Projects and 23 CFR 645.

If it is discovered that Federal procedure or delegation authorization has not been followed, the Region/District will be responsible for ensuring that Federal reimbursement is not sought. Should the error be discovered after Federal vouchering, the Region/District will be responsible for refunding the incorrectly vouchered funding. The delegated Senior Utility Agent or Utility Coordinator should contact Planning and Management to determine the process for correcting the vouchering errors.

13.01.02.02 **Incorporation of City Streets or County Roads Into the State Highway System**

City streets or county roads that become part of the State highway right of way shall be considered incorporated into the State highway system on the date of the CTC resolution or, if later, the date specified for taking actual physical possession of the road. (See S&H Code Sections 81, 82, and 83.)

13.01.02.03 **Encroachments Within Conventional Highways**

All utility encroachments within State highway rights of way shall be installed and maintained so as to minimize traffic disruption and other hazards to highway users. Facilities shall be located as close to the edge of the highway right of way line as reasonably practicable. Facilities shall be installed to minimize interference with highway maintenance and operation and to prevent impairment of the stability of the highway or its appurtenances to the maximum extent practicable.

13.01.02.04 **Encroachments Within Freeways and Expressways**

The Department's policy is to prohibit all at-surface encroachments within the access control lines of freeways. Utility crossings are permitted where supporting structures or manholes are located outside access control lines. Encroachment exceptions are permitted only where space is available, facilities may be safely installed and maintained, and no other reasonable alternative is available. The Division of Design, Encroachment Exceptions Section, must approve all exceptions to the policy.

NOTE: See Section 300, Exceptions to Policy - Encroachment Permit Manual and Chapter 17, Encroachments in Caltrans' Right of Way - Project Development Procedures Manual for exception requirements.

13.01.02.05 **Hazardous Waste Impacted by Facility Relocations**

State ordered utility relocation work to be done within the highway project limits is a necessary part of the highway project construction. Any hazardous waste (HW) encountered within the project limits as a result of State ordered utility work is handled in the same manner as HW encountered by any other part of the highway project construction. Immediately inform the Project Engineer of all potential utility adjustments that may affect identified HW sites so the remediation work is identified as part of the project remediation requirements.

HW encountered outside the project limits, such as on the grantor's remaining property, other private property, or on local streets and roads beyond the limits of the State highway project, is not the Department's remediation responsibility. Any extraordinary costs associated with remediation or unusual work requirements due to HW encountered outside the highway right of way are considered part of the Owner's necessary relocation effort. The Department may pay its proportionate share of these costs as part of normal relocation reimbursement in accordance with the usual liability determination process.

See the Freeway Master Contract for details of handling hazardous materials and their associated costs on freeway projects for those Owners who have signed a new Freeway Master Contract.

All exceptions to this policy shall be processed through Headquarters R/W for approval.

See Section 13.02.05.03 for Hazardous Waste Exceptions.

13.01.02.06 **Work Before Environmental Approval**

Pursuant to California Public Resources Code Sections 21102 and 21150, environmental approval shall be received prior to any expenditure of capital funds for detailed design or relocation of utility facilities. This does not preclude an expenditure of funds for the Owner's preliminary engineering or State's positive location work in support of the environmental document.

In addition, the Department has established an exception process to request and obtain HQ R/W approval to order an Owner to commence design activities prior to the approval of the environmental document but after completion of the environmental studies and the selection of the preferred alternative. See Utility Reference File 02-1 (URF 02-1) for the procedure for getting exceptions approved.

If, at any time during the project, an environmental reevaluation is required, no work other than studies or positive location work should proceed outside of the "area of potential effect"(APE) evaluated and approved in the original environmental document until the reevaluation is completed.

13.01.02.07 **Verification of Utility Facilities**

Pursuant to Government Code Section 4215, governmental agencies shall make every reasonable effort to locate all existing utility facilities within the right of way of a proposed construction project and to identify the facilities on construction contract plans. Failure to identify utility facilities on plans may make the State liable for damages to the facilities resulting from planned construction.

13.01.02.08 **Policy on High and Low Risk Underground Facilities Within Highway Rights of Way**

The Department is responsible to provide a safe environment for employees of the Department and its contractors, as well as the traveling public. An important element of the safe environment is providing a clear and safe right of way through the proper placement, protection, relocation, or removal of utility facilities that may pose a safety risk to the highway worker or user when the utility is excavated, cut, or penetrated. Toward this end, the Department shall establish and enforce mandatory standards and procedures for the placement and protection of underground utility facilities within highway rights of way and for the safety of highway workers involved in maintenance or construction operations in proximity to underground utility facilities. These mandatory standards and procedures are known as the Policy on High and Low Risk Underground Facilities Within Highway Rights of Way. For a copy of this policy, which is Appendix LL of the Project Development Procedures Manual, see Exhibit 13-EX-3.

13.01.02.09 **Advancing Cost of Relocation to Owner**

Streets and Highways (S&H) Code Section 706 provides criteria for the advancement of funds for utility relocations.

Subject to S&H Code Section 706, the Owner's pro rata share of the relocation costs can only be advanced after it has been conclusively shown that the owner is financially unable to bear the cost of relocation and is unable to secure other financing for the work. To meet this test, the Owner shall provide a signed statement to that effect and provide documentation that they have attempted to secure other financing and have been denied.

When an advancement of the Owner's pro rata share of the relocation costs is made in accordance with Section 706, interest shall be charged at the rate of earnings of the Surplus Money Investment Fund (SMIF) and must be repaid within ten (10) years. See Region/District P&M or the State's Web site at <http://www.sco.ca.gov> for current SMIF rates.

Funds shall not be advanced to cover any Owner requested betterments to the facility.

13.01.02.10 **Advance Deposit for State Contract Performed Work**

State administrative rules require that an advance deposit must be made to the State for the estimated cost of work to be done by the State on behalf of another entity (Owner). An exception is authorized for any Owner possessing a Master Agreement or Freeway Master Contract with the State.

13.01.02.11 **Inspection of Relocation Work**

The Department's Construction Manual, Chapter 3, General Provisions, Section 3-809 Utility and Non-Highway Facilities, provides that whenever work is underway on any relocation being done to clear the right of way for construction, an engineer must be assigned to inspect and accept the work. Depending on the state of development of the project, the engineer may be a Project Engineer (PE) or a Resident Engineer (RE). If no engineer has been assigned, the Utility Coordinator shall contact the Project Manager or Construction Senior to ensure an engineer is assigned. Without an assigned engineer to inspect the work, the utility relocation should not proceed.

The PE or RE, or his/her delegate, shall inspect all utility relocation work. The inspection must be documented in Inspector's diary notes. Copies of these notes should be sent to the Utility Coordinator on a regular basis and placed in the Utility File.

As soon as an RE is formally assigned to a project, the RE assumes primary responsibility for coordinating all construction activities. However, all communications with the Owners, including modification of the scope of work or the need to have utility work performed on premium or overtime shall be the responsibility of the Utility Coordinator and shall be done in writing. All decisions relating to utility relocation work, including additional or supplemental liability determinations, shall be made by the Region/District Utility Coordinator or HQ R/W, as applicable. Under no circumstances is Construction allowed to make liability determinations. Significant changes shall be covered by an amended Notice to Owner and Utility Agreement issued by the Utility Coordinator.

13.01.02.12 **Application of Master Agreements/Freeway Master Contracts to Special Funded Projects**

The Department has entered into Master Agreements or Freeway Master Contracts with several Owners for the apportionment of relocation costs on freeway projects. (Section 13.04.03.00) These agreements, authorized by S&H Code 707.5, shall be applied in lieu of otherwise applicable S&H Code sections and shall be applicable to all freeway projects on State highways that are part of the California Freeway and Expressway System no matter what the source of project funds or agency responsibility for project design. The only exception is when the freeway or expressway improvement project is the result of a private development mitigation requirement, in which case the private developer is responsible for all utility relocation costs in accordance with applicable law. (Section 13.12.04.00)

13.01.02.13 **Utility Facilities Within State Highways**

State law allows the use of State highway rights of way for public utility facilities owned by public agencies or by private companies recognized by the California Public Utilities Commission as a provider of a public utility service, when such use does not interfere with the primary purpose of the State highway. (S&H Code 117)

All utility facilities and other encroachments located within State highway rights of way must be covered by an Encroachment Permit and placed in accordance with the Department's standards. All exceptions to applicable requirements as set forth in the Department's "Encroachment Permits Manual" must have Division of Design, Encroachment Exceptions Section, prior approval.

NOTE: See Section 300, Exceptions to Policy - Encroachment Permit Manual and Chapter 17, Encroachments in Caltrans' Right of Way - Project Development Procedures Manual for exception requirements.

13.01.03.00 **Private Utility Facility Relocations**

Relocation of all private utility facilities shall be by the usual appraisal/acquisition process rather than by the public utility relocation process.

A private utility facility is one that provides a utility service for the exclusive use of a privately owned business, farm operation, etc., or provides an exclusive service to improvements and occupants of an individually owned property. Examples of this type of utility facility are:

- Facilities located on a military base, school grounds, manufacturing complex, etc., owned and maintained by the property owner for their exclusive use.
- A facility interconnecting individually owned but dispersed operating sites providing an exclusive and private service to the site owners.

Separation of the private utility facility from the public utility facility occurs at the point where the privately owned and maintained facility connects to the public facility.

13.01.03.01 **Private Facilities in State Highways**

Private transverse crossings shall not be unreasonably denied as long as they meet the Department's standards.

However, the longitudinal placement of private utility facilities within the State highway right of way is generally prohibited by law, as the free use of public property by private entities is tantamount to a "gift of public funds." Any exception request must have Division of Design, Encroachment Exceptions Section, prior approval.

Private longitudinal installations within State highways may be allowed only under the following circumstances:

- A. The private use is based on a retained property right.
- B. Oil company facilities that were placed within the right of way of a city or county road under a local agency issued franchise agreement before the road became a State highway may remain within the State highway for the duration of its useful life or until physically impacted by a highway improvement project, at which time it shall be relocated outside the highway right of way. If the oil company facility is claimed and proven to be a "common carrier," it should be handled in the same manner as a public utility facility.
- C. Cogeneration plants' transporting lines that transport electricity to a public utility may be treated as public utilities and their transporting lines allowed as encroachments within the State highway subject to the usual utility accommodation requirements. The electrical generator portion of the operation, if impacted by the highway project, should be treated as any other business operation subject to the acquisition process.

13.01.04.00 **Encroachment Exceptions**

The Division of Design, Encroachment Exceptions Section, is responsible for review and approval of specific requests for exceptions to established standards and policies governing encroachments within State highway rights of way. Requests for encroachment exceptions must be prepared by the Project Engineer, in writing, and sent to the Division of Design, Encroachment Exceptions Section. A copy of all utility relocation exception requests should be forwarded to Headquarters R/W for concurrent review.

NOTE: See Section 300, Exceptions to Policy - Encroachment Permit Manual and Chapter 17, Encroachments in Caltrans' Right of Way - Project Development Procedures Manual for exception requirements.

13.01.05.00 **Right of Way Utility Management System (RUMS)**

The RUMS computer system is used to track the progress of projects that involve utilities. This system identifies a project by district and EA. Within a project, utility information is further broken down for each Owner involvement. Each Owner's involvement is identified by a unique file number.

RUMS is an on-line, mainframe (legacy) system, which means you interact directly with the system through your PC using ERICOM software to input and update the data. Owner data for a project and/or utility file number is displayed along with some project data pulled from PMCS.

Relocation milestones for each Owner on the project are viewed and updated directly in the system. Reports can also be produced from RUMS. Always be sure to check for computer messages at the bottom of the screen if problems are encountered.

The District Utility Coordinator is responsible for ensuring the information in the RUMS system is up to date and accurate. Headquarters R/W can provide training and assistance if needed. For specific RUMS user instructions, see Exhibit 13-EX-5 and "How to Access RUMS" on the HQ R/W Utility Relocations Web site.

13.01.05.01 **RUMS Lite**

RUMS Lite is a new database run with FileMaker Pro software. The information in RUMS Lite is downloaded from RUMS weekly by HQ R/W. The RUMS Lite database is user friendly and provides for finding and sorting the data to the user's needs. In addition, reports (queries) can be customized by the user, unlike the standard reports provided by RUMS. Queries can then be exported and opened in Excel.

13.01.06.00 **Charging Practices**

The Department maintains a comprehensive cost accounting system, major segments of which involve accounting for employee time (support) and expenditure of funds (capital) and reporting production. Ensuring support and capital are correctly charged enables the Department to report expenditures and maintain financial control on active budgets and serves as the foundation for justifying and developing future budgets. Accurate time reporting also provides cost data for effective project management, preparation of annual financial statements and legislatively mandated reports, and billing of reimbursable work.

Before any work is performed on any project, the Utility Coordinator will verify with P&M that a valid EA has been established. Actual work performed or costs incurred must always be charged to the correct EA and Work Breakdown Structure (WBS) code. See also the R/W Time Charging Manual, a copy of which must be maintained in the Utility Relocations library.

13.01.06.01 **EA Phases**

PHASE 0 (PA&ED)

- Charge very early preliminary engineering to Phase 0 (e.g., PID review).

PHASE 1 (Design - PS&E)

- Charge preliminary engineering to Phase 1 (e.g., route adoption studies, data sheet, field review).

PHASE 2 (Right of Way Operations)

- Charge Capital Outlay Support charges to Phase 2 (i.e., staff/time charges for completing all R/W utility work after PA&ED is complete).
- In some cases, where no other R/W work is required and no Notices to Owner will be written, Phase 2 may not be established.

PHASE 4 (Major Construction Contract)

- Charge capital outlay for utility relocation work performed by the State's highway contractor to Phase 4. Only Construction can encumber and charge Phase 4.
- No Right of Way capital support/outlay charges should be made to Phase 4.

PHASE 9 (Right of Way Capital Outlay)

- Charge the actual cost of the relocation work to Phase 9 (i.e., utility company billing for State's share of the relocation costs).
- Charge payment of all positive location billings to Phase 9.
- No Utilities Capital Support charges should be made to Phase 9.

13.01.06.02 **EA Splits, Combines and Revisions**

Through the duration/life of a project, the EA may change for a variety of reasons. The Project Engineer/Manager may need to split or combine projects for delivery or programming reasons. These changes may occur at any time. If the EA changes during the utility relocation stage, it is a good practice to include the original EA on all documents, along with the current EA. For example, EA 443329 (original EA 443309). That way, the document contains current information for accounting and charging, but still retains the history of the project for tracking purposes.

13.02.00.00 - PLANNING PHASE

13.02.01.00 General

Duties relating to this phase of the project are normally performed prior to Environmental Clearance and Project Report approval. Activities generally consist of:

- Corridor/Route Preservation.
- Route Estimating.
- R/W Data Sheet preparation.
- Draft Project Report review.
- Draft Environmental Document review.

13.02.01.01 Preliminary Engineering

Public Resources Code Sections 21102 and 21150 state that environmental clearance must be received prior to any expenditure of funds for a project (Phase 9 funds). This does not preclude expenditure of funds covering Owner performed work critical for inclusion in the environmental document. This work is generally referred to as “preliminary engineering” and includes such items as:

- Facility verification effort, including necessary positive location work.
- Owner effort required to determine and identify new utility facility rights of way and resultant environmental impacts.

FHWA must approve an E-76 prior to authorization of preliminary engineering so that Owner’s preliminary engineering costs may be federally reimbursed. The approved E-76 does not provide FHWA Specific Authorization. FHWA Specific Authorization must be obtained separately before the actual relocation work is started. See Section 13.14.00.00 for more discussion on federal-aid procedures.

13.02.01.02 Future Project Coordination

Utility Owners, like the State, require lead time to develop budgets and plan work required for ordered relocations. Additional lead time may be required to order long lead time materials, to schedule work during non-peak demand periods when utility facilities may be removed from service, and to comply with PUC General Orders. Streets and Highways Code (S&H Code) Section 680 requires “the department shall specify in the demand a reasonable time within which the work of relocation shall commence . . .” The district must, therefore, provide timely planning information to ensure that our relocation notices withstand challenge.

It is critical that the District Utility Relocation staff establish early and continuing coordination with all Owners being affected by proposed projects. Many local agencies hold periodic coordination meetings with Owners within their jurisdictions to discuss planned public works projects in general. District Utility Coordinators are encouraged to discuss State projects at these meetings or to conduct their own liaison meetings.

13.02.02.00 **Work Before Environmental Approval**

Pursuant to California Public Resources Code Sections 21102 and 21150, environmental approval shall be received prior to any expenditure of funds for detailed design or relocation of utility facilities.

This does not preclude an expenditure of funds for the Owner's preliminary engineering or State's positive location work in support of the environmental document.

If, at any time during the project, an environmental reevaluation is required, no work other than studies, preliminary engineering or positive location work should proceed outside of the "area of potential effect" (APE) evaluated and approved in the original environmental document until the reevaluation is completed.

13.02.02.01 **Corridor/Route Preservation**

At times and in an area of development, Owners may plan extensions or additions to their utility facilities within State highway right of way under the terms of their franchise agreements. (See Section 13.04.04.08 for additional information on franchises.) Planned or proposed highway construction may affect these new utility facility installations. The District Utility Coordinator, where feasible, may notify the Owner of all planned highway improvement projects within the district to enable the Owner to make an informed decision about placement of utility facilities within the highway right of way.

If an Owner decides to go ahead with new facility construction and the installation is in a local street or road underlying the State's proposed highway project, the additional cost incurred to install their facilities clear of the State's future construction shall be paid by the Owner.

Although there is no requirement for the Owner to install their facilities to clear State's future construction, it will eliminate the possible relocation, at Owner's expense, of these new facilities in the near future, providing less disruption to their services, less cost to their ratepayers and more efficient project delivery for the Department.

If the Owner decides to go ahead with the new facility construction and the installation is in a location where the Owner has a right that is superior to the State's, the additional cost incurred to install their facilities clear of the State's future construction shall be paid by the State. A special Utility Agreement may be entered into with the Owner to cover the extra cost of the installation. (See Section 13.07.00.00 for additional information on Utility Agreement preparation.)

Headquarters R/W approval is required for an exception to expend capital funds for any corridor/route preservation project prior to Environmental Approval. See the following section and URF 02-1 for the procedure for getting exceptions approved.

13.02.02.02 **Exception Process for Work Before Environmental Approval**

In certain circumstances and to ensure R/W's timely project delivery, it may be necessary to begin design activities prior to Environmental Approval. R/W has established an exception process to request and obtain HQ R/W approval to order an Owner to commence design activities prior to the approval of the environmental document, but after completion of the environmental studies and the selection of the preferred alternative.

Prior to submission to HQ R/W for approval, the request must be reviewed and approved by the Deputy District/Regional Division Chiefs for R/W, Environmental, and Program/Project Management and the District Director.

See Utility Reference File 02-1 (URF 02-1) for the procedure for getting exceptions approved.

13.02.03.00 **Utilities on Donated or Dedicated Future Right of Way**

Donated right of way is property for which the owner was entitled to receive just compensation, but for personal reasons waived that right and deeded to a public agency without compensation. If the donated right of way location is satisfactory to the State's needs, the property may be acceptable even though encumbered with utility facilities. This is based on the premise that even if the State had purchased the right of way, the State may have been liable for any necessary adjustment or relocation of the utility facilities occupying private property.

Dedicated right of way is property that the owner is obligated to convey to public ownership as a condition prior to the granting of a permit, license, or zoning variance for a planned property development. The State must not accept dedicated right of way if it is encumbered with existing or planned utility facilities that are in conflict with the State's accommodation policy. Since the property owner is obligated to provide the right of way without compensation, this obligation extends to conveying it free and clear of all conflicting encumbrances that would otherwise have to be removed through payment of public funds. All conflicting utility encumbrances must be cleared by the property owner prior to conveyance to the public agency or prior to acceptance by the State.

13.02.04.00 **Utility Estimates**

R/W Estimating usually requests the project utility relocation estimate. These estimates are used for the Project Study Report (PSR). The PSR is an engineering report used to document agreement on scope, schedule, and estimated cost of the project so it can be included in a future STIP or other programming document.

Since accurate estimates are crucial to both scheduling and ultimate delivery of any given project, utility estimates must be as accurate as possible. Accuracy of any estimate, however, is subject to the quality of plans received and the lead time given. If the plans or lead time are inadequate, the Utility Coordinator shall inform R/W Estimating and/or P&M of such when submitting the estimate. Significant cost contingencies should be specifically identified in the estimate. For example, a potential conflict with a major facility where the project's impact cannot yet be fully determined.

Estimates should always be based on the most probable "worst case" and "highest cost" assumptions. A frequently overlooked cost is that of relocating a facility currently located within an existing freeway as an exception to the Department's utility accommodation policy. Policy requires all utility facilities located within project limits in violation of current utility accommodation requirements be adjusted to meet current requirements. If the facility is located in the project limits subject to a previous encroachment exception and the Utility Coordinator feels the facility may safely remain, it must be reevaluated and resubmitted to the Division of Design, Encroachment Exceptions Section, for approval. (See Section 13.01.04.00.) Therefore, for estimating purposes, the Utility Coordinator should assume an exception will not be granted and include estimated costs for a relocation.

NOTE: See Section 300, Exceptions to Policy - Encroachment Permit Manual and Chapter 17, Encroachments in Caltrans' Right of Way - Project Development Procedures Manual for exception requirements.

The Utility Coordinator should take the following steps in preparing the utility estimate:

- Field review all proposed project route alternatives.
- Identify each Owner and type of utility and prepare a relocation cost estimate for each. The relocation cost estimate may be based on past experiences with relocation costs, unit costs, broad gauge estimates, consultation with utility owners or other method suitable to the facility to be relocated.

- Prepare a total relocation cost estimate for the project, including updating escalation rates when appropriate. Escalation rates can be measured by identifying industry-wide rates in increases in labor, products, and materials. These increases can be estimated by comparing current labor rates, accessing industry Web sites for information, reviewing current utility owner invoices and consulting with the Utility Owners.
- Identify the Owner's requirement to complete an environmental study for the proposed utility work or to order long lead time materials for the project and estimate additional lead time necessary for completion.
- Consult with the Project Engineer to identify possible modification of right of way lines or early design changes to avoid potential conflicts, when appropriate.
- Provide workload estimates for all utility related WBS codes. The Utility Coordinator can use past experiences, previous support charges for production of utility documents or workload estimating norms created at the district level.
- Prepare data for the R/W Data Sheet(s) for the project discussing the items above and submit to R/W Estimating.

Use of Exhibit 13-EX-6 is recommended for preparing estimates for all route reviews.

13.02.04.01 Right of Way Data Sheet

The R/W Data Sheet is used to provide cost data to be included in the PSR. It is critical that the Utility Coordinator review all proposed projects to ensure any and all possible utility relocation costs are included. This data becomes the basis for R/W project programming in the STIP and SHOPP, which establishes the project's capital and support budgets. Accurate and up-to-date data on project costs and work units are critical.

Workload data from the R/W Data Sheet is entered into PMCS in the EVNT RW screen and cost data from the R/W Data Sheet is entered into the COST RW1-5 screens. PMCS (Project Management Control System) is the Department's Project Database. PYPSCAN (Person Year, Project Scheduling and Cost ANalysis System) is a computerized project estimating and scheduling system within PMCS. This computerized system shows, among other things, project workload (support), monies needed for project expenditures (capital) and lead times needed for project delivery. PYPSCAN is used as a starting place for the development of the project workplans and as a check of resources that are generated by XPM. XPM is a computerized scheduling tool that uses Project Workplan information to determine the required hours by WBS code to complete a particular project. (See Section 3.03.00.00 for more information about PMCS and XPM calculations.)

The District Utility Coordinator is responsible for ensuring that all utility relocations' capital and support needs are up to date at all times and are input into PMCS (or other resource estimating database) via the R/W Data Sheet. The Estimating Chapter (Chapter 4.00.00.00) requires the R/W Data Sheet be updated whenever there is significant change or at least annually. The Utility Coordinator must be sure the Utility Estimate conforms to this same requirement. If the information is not up to date, the Utility Coordinator shall inform P&M by memorandum or revised by R/W Data Sheet.

For instructions and explanations on filling out the utilities portion of the R/W Data Sheet, see Exhibit 13-EX-6.

On federal-aid projects, the E-76 can be prepared and transmitted to P&M for processing after all known conflicts have been identified. See Section 13.14.00.00 for more discussion on federal-aid procedures.

13.02.04.02 **Project Study Report (PSR) Review**

The draft PSR incorporates the R/W Data Sheet or includes information from it. The draft is circulated through District R/W for review and concurrence. It is imperative that a thorough review of all aspects of the project-impacted facilities takes place prior to approval of the PSR. The review should ensure that all facilities to remain within the project area either meet the Department's accommodation policy or that estimated relocation costs are included.

If discrepancies are found in the draft PSR, a revised R/W Data Sheet shall be prepared. The revised R/W Data Sheet, along with a thorough explanation of the discrepancies and/or changes, must be sent to P&M for submittal to the preparer of the draft PSR.

The approved PSR should be circulated through District R/W, with a copy included in R/W's project files.

NOTE: Occasionally, if there are no required R/W acquisitions, utilities may be overlooked. The District Utility Coordinator must proactively identify planned projects to ensure that all draft PSRs are reviewed and R/W Data Sheets are prepared for all projects.

13.02.05.00 **Environmental Document Review**

The District Utility Coordinator must review the draft environmental document to ensure that utility relocation impacts are addressed. These typically occur, for instance, where an underground facility will be relocated across an environmentally sensitive area, such as a wetland, or where new utility rights of way are to be acquired. The Utility Coordinator must ensure the "area of potential effect" identified in the environmental document covers any parcels identified as potential replacement easements for utility relocations.

Potential Hazardous Waste (HW) impacts resulting from the highway project are usually addressed in the environmental document. If HW is a potential problem on the project, the Utility Coordinator must ensure that the requirements of Section 13.01.02.05 are addressed in the document.

It is also critical to ensure the environmental document does not propose utility-related mitigation commitments that may be in conflict with existing laws or current Departmental policies. Conflicting commitments must have Headquarters R/W prior approval. For example, it is incorrect to propose undergrounding for aesthetic purposes or to require underground utility crossings to be placed as part of the highway construction to mitigate future needs since these commitments may constitute "a gift of public funds."

If utility facility relocations are addressed in the document, then the following suggested wording should be used, but not placed in the "Mitigation Section:"

"All public utility facilities impacted by the proposed transportation project will be relocated and/or accommodated in accordance with State law and regulations and the Department's policies concerning utility encroachments within State highway rights of way."

13.02.05.01 **Special Environmental Reviews for 50KV Electric Facilities**

Major electric facilities involving substations and/or power lines operating in excess of 50KV may require special permits and environmental review per PUC General Order 131-D. Potential relocations of this type require early coordination with PUC regulated electric Utility Owners to determine General Order applicability. If an environmental review is necessary, including the potential utility relocation in the State's environmental document may substantially reduce lead time requirements for the utility relocation. Questions concerning applicability of this Order to a particular relocation must be resolved between the Owner and the PUC.

13.02.05.02 **Draft Environmental Document to Owners**

The Utility Coordinator must alert all Owners impacted by a proposed highway project when the draft environmental document is circulated for review. This allows Owners to recommend inclusion of utility relocation needs and thus minimize risk for later project delay resulting from unanticipated relocation environmental problems.

13.02.05.03 **Hazardous Waste Exceptions**

The Department's hazardous waste policy specifies that remediation of project-related contamination should be completed prior to construction activities. In cases where cleanup prior to construction is not feasible and remediation is proposed during project construction, an exception to this policy must be requested. This policy applies to State ordered utility relocation work within highway project limits (see Section 13.01.02.05).

The Project Manager, working in coordination with the District Project Development functional manager and the Utility Coordinator, shall prepare an exception request for the Regional or District Director's approval. The exception request must be reviewed by the Hazardous Waste Management Office, Headquarters Environmental Program, prior to submission for the Regional or District Director's signature.

Exception requests shall, as a minimum, address the following:

1. A summary of the project and how the project will impact the contamination area;
2. The type and extent of hazardous waste (summary of the hazardous waste investigation), including source and responsible party, if known;
3. The estimated cost to the Department for remediation, including an assessment of future liability if the Department assumes responsibility for remediation;
4. Why it is not practical to defer the project or to modify the project to avoid the contaminated property(ies);
5. The type of remediation proposed, including whether the Department has approval from the appropriate regulatory agencies;
6. Why the property owner or other responsible parties have not assumed responsibility for cleanup;
7. The steps that have been or will be taken to recover cleanup costs and an evaluation from the Legal Division regarding the chance of success; and,
8. The draft special provisions for the remediation items of work.

13.03.00.00 - DESIGN PHASE

13.03.01.00 General

Activities generally performed in the design phase of a project include:

- Update data sheet, as necessary, after review of the Project Report.
- Coordinate identification and verification of existing utilities.
- Assist in identification of utility facilities in physical conflict or in violation of the Department's utility accommodation policy.
- Assist in identification of all high and low risk utility facilities and coordinate the positive location of these facilities as required.
- Request preparation of an E-76 covering all utility facilities when identified. See Section 13.14.00.00 for additional information regarding Federal-aid procedures.
- Prepare the Notice to Owner, Utility Agreement, and Report of Investigation for Owner-conducted positive location.
- Prepare the Task Order and Notice to Owner for State Contractor-conducted positive location.
- Bill the local agency pursuant to a Cooperative Agreement when there is one. (Refer to Section 13.12.05.02.)
- Request and review Owner's relocation plans, claim of liability, and estimate of cost.
- Coordinate with the Project Engineer to review encroachment exception requests for accommodation policy conflicts.
- Coordinate planned placement of utility facilities on structures.
- Identify and submit utility-related "Special Provisions" to Design Engineer.
- Prepare the Report of Investigation, Notice to Owner, and Utility Agreement for relocations involving State liability.

13.03.01.01 Commencement of Design

The approved Project Report and Final Environmental Approval are necessary before a highway project is authorized to proceed to design. Once both documents have been received, the Utility Coordinator and Project Engineer commence the detailed utility verification and relocation design process.

NOTE: If at any point during the design stage an Environmental Reevaluation is necessary, no work other than studies, preliminary engineering or positive location work should proceed outside the original environmental "footprint" and/or "area of potential effect" or in the area under reevaluation. Contact HQ RW for additional guidance.

As a first step, the Utility Coordinator shall arrange a meeting with all impacted Owners, the Project Engineer, and a Structures Representative if a structure (bridge) is involved. The meeting purpose is to:

- Discuss the general project.
- Identify utility impacts.
- Discuss alternative solutions to highway/utility conflicts.
- Identify need for Owner required utility consultants.
- Identify potentially required new utility right of way.
- Determine a schedule for future coordination meetings.

A prime responsibility of the District Utility Coordinator is to take a proactive role to ensure that all projects are proceeding in a timely manner and that verifications are requested for all projects.

13.03.01.02 Identification and Protection of Utility Facilities

Government Code Section 4215 states that the public agency shall assume responsibility for protecting utility facilities not identified in the plans and specifications for the project. Every reasonable effort, therefore, should be made to locate all existing facilities and delineate their locations on project plans. The law is not restricted to hidden or underground facilities. All aerial facilities located within the project must also be included if the facility will remain within the project.

Government Code Section 4216 states that the State's Highway contractor is required to take reasonable and prudent steps to ascertain the exact location of underground facilities. If the contractor has done so but still damages a facility not shown on the plans, the State may be responsible for damages to the facility and all resulting protection requirements and/or project delays.

13.03.01.03 Utility Facility Avoidance

The Project Engineer should design highway facilities to miss utility facilities whenever possible and be cost effective. A design-to-miss approach will assist in faster project delivery, particularly where impacted utility facilities require complex relocations or special ordered material. As Project Engineers strive to simplify their projects, one of the most effective ways to prevent project failure is to design around existing utilities at every possible opportunity. Just as Design Engineers avoid environmentally sensitive areas, e.g., biological, archeological or water quality sites, so should utilities be avoided whenever possible.

13.03.01.04 Design of Utility Facility Relocations

The facility owner shall be responsible for design of their own utility facility relocations. The only exception occurs when the Owner has requested the State to perform the design of the relocation and physical relocation will be included as a bid item in the highway construction contract. The design and construction of the relocation require execution of a Utility Agreement, and the Utility Coordinator shall remain the primary point of contact for liability and coordination of work activities between Owner and State. Liability is determined using the same methodology as if the Owner were conducting the relocation. (See Section 13.04.00.00.)

13.03.01.05 **Replacement Right of Way for Utility Facilities**

Acquisition of a replacement right of way for relocated utility facilities may become a major obstacle to timely relocation. Utilities, like highways, are an essential service for users and cannot be severed for lack of an alternate replacement location. Either the State or the Owner can acquire the replacement right of way. If acquired by the State, needs must be identified early for inclusion in the State's R/W acquisition program.

When the District Utility Coordinator determines that State acquired replacement right of way is needed, the Owner's plans are forwarded to the Project Engineer for inclusion in the State's highway design. The Project Engineer will prepare plans and forward them to District R/W for acquisition. The Utility Coordinator must work closely with the Project Engineer to ensure the proposed replacement right of way has been included in the Environmental document.

For more discussion on right of way acquisition for Owners, see Section 13.03.06.00.

13.03.01.06 **Utility Consultant Design Requirements**

Normally, the Owner designs their own utility relocations. If the Owner is unable to perform their own design or elects to have design work done by a consultant, and the design costs are to be reimbursed by the State, the Utility Coordinator must discuss with the Owner the State's need to review the Owner's consultant selection process to ensure reasonable consultant costs. This requirement must be discussed with the Owner early in the process to ensure no action is taken prior to our review. In addition, any Third Party Consultant Agreement over \$250,000 must be submitted to Audits for preaward evaluation. For a detailed discussion on consultant agreements, see Section 13.14.11.00.

13.03.02.00 **Utility Verifications**

The Project Engineer is responsible for determining the identification and location of all utility facilities that lie within the right of way boundaries of the planned construction project. This is accomplished by: 1) a joint field review of the project area by the Project Engineer and the Utility Coordinator, 2) reviewing Departmental as-builts, permit records and geographic information systems, 3) asking the Utility Coordinator to verify facilities from each Owner that may have facilities within the project area, and 4) requesting field surveys to verify utility facilities. The need for this identification and verification is twofold:

- To identify all potential utility/project conflicts so they may be cleared before project construction commences, either through avoidance or relocation.
- To meet the requirements of California Government Code Section 4215, which states in part that all utility facilities shall be identified on the State's project plans and if not so identified, the State may be liable for all resulting damages to the facilities. The cost of such damages to the facilities is not Federal-aid reimbursable.

13.03.02.01 **Preparation of Verification Maps**

The Project Engineer is responsible for ordering preparation of mapping to be used for the delineation and verification of utility facilities within the project limits. Identification is necessary even if proposed construction is entirely within existing rights of way. The Project Engineer obtains this utility information from the following sources:

- State's as-built construction drawings for prior projects.
- Ground and aerial surveys.
- Encroachment Permit files.
- Field review of the project.

These maps will also show existing and proposed right of way lines, as well as existing and proposed access control lines, where applicable. A sufficient number of verification maps, as needed, will be prepared.

13.03.02.02 **Utility Verification Request to Owner**

The Utility Coordinator must send the verification maps to each Owner with existing or potentially existing facilities within the project area. The request letter should include the elements shown in Exhibit 13-EX-10. The Owner should be encouraged to add to the maps any facilities not already located or depicted on the verification maps and show any abandoned facility. Normally, the Owner is allowed 30 days to respond. The Utility Coordinator is responsible for follow-up to ensure timely completion of verification. (See also CPUC General Order 128, Rule 17.7 for legal requirements for regulated Owners to provide facility location information.)

13.03.02.03 **Owner's Verification of Facilities**

Once the Owner returns the verification maps, if the Owner's verification indicates facilities within the project limits, the Utility Coordinator must:

- Transmit Owner's verified facility locations to the Project Engineer for review and inclusion on project plans.
- Assist the Project Engineer in identifying utility facilities in conflict with the State's accommodation policy.
- Assist the Project Engineer in identifying high and low risk facilities.

If no physical or utility accommodation policy conflicts are identified, the Utility Coordinator notifies the Owner(s) involved in the verification process of the finding(s). The letter advising them must include the elements shown in Exhibit 13-EX-11.

13.03.03.00 **Positive Location of Underground Facilities**

To accurately determine the type and location of all potentially impacted utility facilities, it is frequently in the State's and Owner's mutual interest to provide positive location of underground facilities. The process of obtaining this information may require that an excavation be made to expose the facility and allow the precise location to be surveyed to the State's datum. The excavation to expose the facility is frequently referred to as "potholing." Other methods of determining the positive location of an underground facility include probing, electronic detection, etc. Refer to the Department's Policy on High and Low Risk Underground Facilities Within Highway Rights of Way (Exhibit 13-EX-3) for policy specifics.

The Project Engineer is responsible for determining when positive location is required, usually whenever facilities are known to exist within the project construction area but cannot be precisely located, particularly as to depth. Without precise location information, physical conflicts within the project cannot be determined nor safe construction assured.

The Utility Coordinator shall provide reasonable notice to the Owner regarding positive location of underground utility facilities and is responsible for determining liability for costs in accordance with Positive Location Agreements (Section 13.03.03.01) or usual liability requirements.

If the Owner is conducting the positive location, the Utility Coordinator shall provide the required Encroachment Permit with the Notice or assist Owner in obtaining it.

If the State's Positive Location Contractor is conducting the positive location, the Utility Coordinator shall submit a Task Order to the contractor. The Utility Coordinator must still provide notice to the Owner so that they are aware of the work and may have an inspector present during the positive location process.

13.03.03.01 **Positive Location Agreements (PLAs)**

The Department has created and executed a Positive Location Agreement (PLA) with numerous utility owners throughout the State. PLAs were created in 2003 as a tool to improve the efficiency of R/W Utility Relocations project delivery. The agreements provide for the State to assume 100% of the liability for ordered positive locations and provide Owner's consent for the State's positive location contractor to conduct the positive locations. If the Owner requests to conduct the positive location with their own staff, the State will pay only the going contract rate in effect at the time. If, however, the State requests the Owner to conduct the positive location because of a lack of an ongoing contract or insufficient contractor staff, the State will pay 100% of the Owner's actual and necessary costs.

A list of current PLAs may be obtained at the HQ Utility Relocation Web site.

A PLA should be offered to any Owner not on the list that requires positive location as a means of streamlining project delivery. The Utility Coordinator prepares two originals of the standard PLA and sends both to the Owner with a cover letter describing the PLA. Once the Owner executes the PLAs and returns them to the Department, the Utility Coordinator sends them to the Utility Relocations Chief in HQ for signature. Once signed, a scanned "PDF" copy is added to the Web site. One original is kept on file in HQ and one is returned to the District. The Utility Coordinator then sends the original to the Owner.

When positive location is ordered for an Owner, the Utility Coordinator sends either a Notice to Owner or a notification letter advising the Owner of the scheduled positive location of their facilities so they may have an inspector present.

The PLA, under paragraph 8, gives the Department permission to enter upon the private right of way (usually an easement) of the Utility Company. The Utility Company should notify the underlying fee owner as a courtesy and confirm the landowner does not have any activities planned.

13.03.03.02 **Positive Location (Pos-Loc) Contracts**

The Pos-Loc Contract is an on-call service contract to provide positive location services to the Department. Each District independently advertises for bids for the contract. To begin the process of obtaining a Pos-Loc Contractor, the District Utility Coordinator must complete a Service Contract Request (ADM 360).

As the Contract Manager, the District Utility Coordinator works closely with the assigned Contract Analyst through the entire bid process. They determine the timing of the new contract, the length, and ultimate award of the contract. The contract may involve multiple fiscal years. (Most contracts can be amended once to extend the contract life or contract amount, if circumstances warrant.) Once a contract is awarded, the executed contract is then encumbered at the “program level.” (See P&M for specifics.) The on-call service is then accomplished through the use of Task Orders.

13.03.03.03 **Positive Location Task Orders**

The Task Order must provide for a minimum payment of four “holes” for vacuum excavations. The Contract Manager shall send the appropriate number of maps along with the Task Order.

When an invoice is received from the Pos-Loc Contractor, a Request for Utility Payment (Form RW 13-6) is prepared and sent to HQ R/W Accounting. The request for payment is charged to the specific project Phase 9 EA(s). (P&M will instruct R/W Accounting to disencumber the same amount of the program level encumbrance.) Vendor information is required for all payments and the Contract Manager may have to send the Pos-Loc Contractor a STD 204 to complete prior to payment of the initial invoice.

13.03.03.04 **Positive Location Requirements for High Risk Utility Facilities**

All underground high risk facilities lying within the construction area of a project shall be positively located in accordance with the Department’s Policy on High and Low Risk Underground Utility Facilities Within Highway Rights of Way (Exhibit 13-EX-3). The Project Engineer is responsible to ensure the policy requirements have been met and to provide a certification to that effect as part of the PS&E.

The Project Engineer makes a written request to the Utility Coordinator to obtain positive location information for all utility owned high risk facilities that may be in physical conflict with planned construction or that may be exposed to risk of damage during construction. The request must identify the location where the high risk facilities are to be positively located and include three sets of maps for each utility involvement (two sets for the Owner and one set for the Utility Coordinator’s files).

For Owners who have a current PLA on file, the Utility Coordinator prepares a task order for the State's Pos-Loc Contractor and a written notification to the Owner.

For Owners who do not have a current PLA on file, the Utility Coordinator arranges a meeting between the Owner and the Project Engineer to go over the plan for determining positive location requirements.

The Project Engineer is also responsible for obtaining the necessary positive location information on Department owned high risk facilities and for including this information on project plans; the Utility Coordinator is not involved.

13.03.03.05 **Liability for Ordered Positive Locations**

If the Owner has a current PLA, the Department ordered positive location conducted by our contractor or by the Owner is 100% State liability. If the Owner does not have a current PLA, liability is determined using the same rules that are applied to normal relocations. The liability is based on the occupancy rights possessed by the State and Owner as to each positive location site. Exhibits 13-EX-12 and 13-EX-13 provide sample letters for requesting liability information and issuance of the Notice.

NOTE: See Section 13.06.03.04 for expedited procedures for issuance of the Notice and Section 13.05.04.02 for lump-sum payments.

13.03.03.06 **Prevailing Wage Requirements for Positive Location Contracts**

Contract Managers share in the Department's responsibility to comply with federal and state prevailing wage laws when they request, write, award or manage any publicly funded contract.

When a new Positive Location contract is awarded, the Contract Manager should brief the contractor on all prevailing wage requirements, among other expectations, at a contract "kickoff" or prejob conference. A record of the conference and an attendance sheet signed by the contractor, Contract Manager, and all attendees are retained with the contract.

California Law requires the Department to have an orderly system of auditing contractor payrolls. The Positive Location contract requires the contractor submit a certified copy of all payroll records for verification by the Department's Contract Manager and/or Designee with each invoice. When progress payments are called for, the Contractor shall submit a certified copy of all payroll records for verification for the work completed to date with each invoice. Delinquent or inadequate certified payrolls or other required documents will result in the withholding of payment until such documents are submitted by the Contractor. If payment is withheld, Invoice Dispute Notification, Form STD. 209, must be filled out in order to suspend the Prompt Payment Act. The Contract Manager will review and maintain the certified copy of the payroll.

The Contract Manager, or their Designee, will conduct interviews with employees of the Pos-Loc Contractor to verify compliance with prevailing wage laws.

13.03.03.07 **Contract Manager's Working File**

The Contract Manager is required to maintain a "working" contract file for each separate contract. The file should contain all the information or documentation:

- Copy of Service Contract Request Form (ADM 360) with all the supporting documentation
- Copy of the executed contract
- Copy of all Certificates of Insurance, if applicable

- Copies of Payment and Performance Bonds, if applicable
- Copy of each executed contract amendment, if applicable
- Log or diary of all contract activity
- Correspondence to Contractor or other correspondence relating to the contract, including the “kickoff” meeting or prejob conference documentation
- Copy of each invoice, backup documentation and approval documentation
- Spreadsheet of contract funds and expenses
- Spreadsheet indicating DVBE/DBE usage, if applicable
- Evaluation of the Contractor/Consultant, if applicable
- Copy of CMIST certification - (see Section 13.03.03.08)

Additional information can be found in the Contract Manager’s Handbook located at the Department of Procurements and Contracts (DPAC) Intranet Web site.

13.03.03.08 Contract Manager Certification under CMIST (Contract Management Information and Specialized Training)

Contract Managers are required to register as a certified Contract Manager. The training and certification is online at DPAC’s Intranet Web site under Contracts Management Information and Specialized Training (CMIST).

13.03.03.09 Utility Coordinator Responsibilities

The Utility Coordinator is responsible to coordinate all positive location requirements specified in the Notice to Owner (NTO) and in the Task Order. Duties performed generally consist of:

- Request/prepare Positive Location Task Orders and NTO based on the maps.
- Follow up to ensure the positive location work will be done by the date specified in the Notice to Owner and/or in the Positive Location Task Order.
- Confirm necessary inspections with the applicable office/branch.
- Coordinate with Surveys to obtain required horizontal and vertical location data for utility facilities. See Exhibit 13-EX-3 for high and low risk positive location requirements.
- Ensure that survey information is transmitted to the Project Engineer for inclusion in the contract plans.
- Assist in identifying longitudinal utility facilities not meeting the utility accommodations and high risk facilities policies.
- Process Pos-Loc Contractor’s invoices for payment, subject to the Prompt Payment Act.

13.03.03.10 Project Engineer Responsibilities

Pursuant to the Plans Preparation Manual Section 2-2.13, the Project Development Procedures Manual, and this manual, the Project Engineer is responsible to:

- Plot survey information on the contract plans.
- Identify “physical” and “policy” conflicts.
- Prepare utility conflict maps and/or a conflict matrix for the Owner to prepare relocation plans.
- Recommend all existing or new utility accommodation policy exceptions to Division of Design, Encroachment Exceptions Section, for approval.

NOTE: See Section 300, Exceptions to Policy - Encroachment Permit Manual and Chapter 17, Encroachments in Caltrans’ Right of Way - Project Development Procedures Manual for exception requirements.

13.03.04.00 Utility Conflicts Identified

The Project Engineer (PE) is responsible to review all existing utility locations for conflicts, determine which facilities need to be relocated, and make a written request to the Utility Coordinator to obtain affected Owner’s relocation plans. The Project Engineer will provide the Utility Coordinator with conflict maps (see Section 13.03.04.03) the Utility Coordinator sends to the Owner to accompany a request for relocation plans, the Owner’s claim of liability, and estimate of cost. (See Section 13.03.04.04.)

Some conflicts may not be immediately evident on the plans, such as staged construction requirements, detours, pile-driving operations, signal and lighting facilities, longitudinal encroachments, and encasement exception requirements. The Utility Coordinator shall review all plans with the Project Engineer for possible conflicts with all facilities within the project.

If after reviewing all utility information, including positive location data, the Project Engineer determines certain utility owners have no conflict with the State’s proposed construction project, the PE notifies the Utility Coordinator who must then notify those Owners of the finding. The letter advising them must include the elements shown in Exhibit 13-EX-11.

If the PE identifies conflicts with the State’s proposed construction project, the Utility Coordinator must arrange a meeting with all affected Owners, the Project Engineer, and a Structures representative if a structure (bridge) is involved. The purpose of the meeting is to discuss the project, identify needed relocations, and work out the most economical and practical solutions consistent with highway and utility design standards. The Utility Coordinator should document the meeting in the Utility File and should include a list of attendees, items of discussion, and any agreed upon solutions.

If a Local Public Agency (LPA) Cooperative Agreement with cost sharing is involved, the Utility Coordinator must ensure the LPA is billed for their share of the estimated total relocation costs for all Owners in advance of the work being completed and prior to R/W certification. See Section 13.12.00.00 for procedures in dealing with Cooperative Agreement projects.

Ensure that the E-76 (if a federal aid project) has been prepared and transmitted to P&M for processing. See Section 13.14.00.00 for more discussion on federal aid procedures.

The District Utility Coordinator is responsible to ensure that all budgeting information (specifically the R/W Data Sheet) is up to date. If the information has changed as a result of conflict identification, the Utility Coordinator shall update the data sheet. A sample memorandum to P&M for updating capital and support budget information is shown in Exhibit 13-EX-14.

13.03.04.01 Utility Accommodation Policy for Freeways and Exceptions to the Policy

The Department's basic accommodation policy for utilities within freeways allows subsurface or aerial transverse crossing after approval of an encroachment permit. The policy prohibits at-surface encroachment within the access control lines. Utility facilities within the project limits of planned freeway projects that are in violation of this policy must be relocated to clear the project. Division of Design, Encroachment Exceptions Section, must approve exceptions to this clearance requirement prior to R/W Certification.

NOTE: See Section 300, Exceptions to Policy - Encroachment Permit Manual and Chapter 17, Encroachments in Caltrans' Right of Way - Project Development Procedures Manual for exception requirements.

Selected projects exempt from a review of utility facilities in violation of this accommodation policy are:

- A. Planting or planting restoration projects.
- B. Resurfacing, drainage, safety, etc., that do not result in the edge of the traveled way being moved closer to the encroaching utility facility.
- C. Any improvement project to an existing highway that is part of the State's Freeway and Express System but functions as a conventional highway and does not include acquisition of access rights from adjoining properties.

Longitudinal installations or crossing support facilities may be allowed to remain within the access-controlled area in extreme cases, after Division of Design, Encroachment Exceptions Section approval, with the following restrictions:

- A. The facility must be a public utility facility.
- B. The facility must not adversely affect highway safety, maintenance, and traffic operations.
- C. The facility should be installed outside the desired clear recovery zone where reasonable. (See Section 13.03.04.02 for a description of "clear recovery zones.")
- D. Relocation of the facility would be inordinately difficult or unreasonably costly.

- E. Access for construction and maintenance of a facility located within the access-controlled area must be from other than the traveled way of the freeway, such as from adjoining frontage roads or nearby streets or trails.
- F. Utility service connections to adjacent properties shall not be permitted.
- G. All underground high/low risk facilities shall meet the Department's established policy and procedures as set forth in the "Policy on High and Low Risk Underground Facilities Within Highway Rights of Way" (Exhibit 13-EX-3).

13.03.04.02 **Identify CURE/CRZ Conflicts**

"Clean Up the Roadside Environment" (CURE) is a State program for removing fixed objects from within the clear recovery zone (CRZ) adjacent to the traveled way of State highways. The objective of CURE is to remove fixed objects such as signs, trees, culvert heads, and utility poles from within the CRZ, thus improving the recovery opportunity for errant vehicles leaving the traveled way and reducing accidents. CURE is to be part of every new project undertaken on rural high speed highways. Policies and procedures for handling CURE projects can be found in Appendix 2.0 of the Department's Highway Safety Improvement Program (HSIP) Manual, Division of Traffic Operations, Traffic Safety Program.

13.03.04.03 **Conflict Maps/Conflict Matrix**

Utility conflict maps are essentially the State's preliminary layout sheets for the PS&E. They should show any construction feature that may affect the Owner's facilities including, but not limited to, the following:

- Utility location
- Right of Way lines
- Cross Sections
- Profile
- Drainage
- Stage Construction
- Bridge Structure

13.03.04.04 **Request for Relocation Plans, Claim of Liability, and Estimate of Cost**

Prior to issuing the Notice to Owner, Utility Agreement, and Encroachment Permit, the Utility Coordinator must obtain the Owner's claim of liability, estimate of cost, and relocation plan. An exception can be made for expedited positive location. See Section 13.06.03.04.

The letter to the Owner must include the elements shown in Exhibit 13-EX-9 and normally allows the Owner 60 to 120 days to respond. Since this is a crucial element in the utility relocation process, the Utility Coordinator must actively follow up with the Owner to ensure they maintain a schedule that will allow successful project delivery.

13.03.04.05 **Receipt of Relocation Plans, Claim of Liability, and Estimate of Cost**

Upon receiving the Owner's relocation plans, the Utility Coordinator routes the plans to the Project Engineer for review and approval, comparison with other Owners' plans for compatibility, and review for compliance with the Department's "Policy on High and Low Risk Underground Facilities Within Highway Rights of Way" (Exhibit 13-EX-3) and the Department's Utility Accommodation Policy.

NOTE: See Section 300, Exceptions to Policy - Encroachment Permit Manual and Chapter 17, Encroachments in Caltrans' Right of Way - Project Development Procedures Manual for exception requirements.

The district's Environmental Branch should review the Utility Relocation Plans whenever there is a possible relocation of 50KV and higher power lines and/or electrical substations, to ensure inclusion in and/or changes to the Department's environmental document.

NOTE: If changes to the environmental document are required at this stage, there may be a delay in project delivery as no relocation work can take place in any location not previously included in the "area of potential effect" (APE) described in the approved document unless the area of utility relocation has a blanket ND or CatX by the CPUC.

The District Utilities Coordinator has basic responsibility for reviewing all relocation plans to determine that they provide a cost effective functional restoration of the utility facility. Betterments are to be identified on the plans and all other elements of the planned relocation must be supportable as necessary and appropriate. The Utility Coordinator may solicit technical engineering support, but cannot shift this responsibility to the Project Engineer. The Coordinator shall make the final call.

Where any portion of the utility work claimed by the Owner is to be at State expense, the Utility Coordinator must review the Owner's claim letter that sets forth the basis for the State's liability and the estimated cost of relocation. (See Section 13.04.00.00 for liability determinations.) When the claim of liability and estimate of cost are found acceptable, the Utility Coordinator prepares the Report of Investigation (ROI) package for transmittal to Headquarters R/W or the authorized district person. The ROI package should consist of the Report of Investigation, the Owner's claim letter, the estimate of cost, the Notice to Owner, and a draft Utility Agreement along with any supporting documentation and mapping.

13.03.04.06 **Special Provisions**

All utility facilities to be relocated, abandoned, or protected in place during construction, whether done by the State's contractor or Owner, are to be addressed in the construction contract's "Special Provisions." The Utility Coordinator is responsible to provide the Project Engineer with the information necessary to prepare these clauses for inclusion in the "Special Provisions." Failure to do so may result in claims by the State's contractor for right of way delays.

All Utility facilities remaining within the project limits at start of construction shall be delineated on the state's plans.

The following table lists the most commonly used Standard Special Provisions for utility relocations. Any nonstandard Special Provision language must be approved through the Project Engineer.

Table 13.03-1 Standard Special Provisions (Section 13.03.04.06)

99 SSP No. Old SSP No.	Owner Code	Description	Instructions for Use
08-020 08-020 M	DE (Design)	Obstruction	Use when there are underground utilities on the project.
SSP 08-020			
08-025 08-025 M	DE (Design)	Miscellaneous Clause for High Risk Facilities	Use for high risk facilities on special projects and trenching for the installation of electrical conduit is NOT required. Special projects are defined in Section 4-3 of the "Policy on High and Low Risk Underground Facilities Within Highway Rights of Way." Add to SSP 08-020.
SSP 08-025			
08-026 08-026 M	DE (Design)	Miscellaneous Clause for High Risk Facilities	Use for high risk facilities on special projects and trenching for the installation of electrical conduit is required. Special projects are defined in Section 4-3 of the "Policy on High and Low Risk Underground Facilities Within Highway Rights of Way." Add to SSP 08-020.
SSP 08-026			
08-027 08-027 M	RW	Miscellaneous Clauses for Utilities To Be Relocated During Construction	Use when utilities are to be relocated during construction. Add to SSP 08-020.
SSP 08-027			
08-027 08-027 M	RW	Miscellaneous Clauses for Utilities To Be Relocated During Construction	Use when utilities are to be relocated during construction. Add to SSP 08-020.
SSP 08-027			
08-030 08-030 M	RW	Miscellaneous Clause for Utility Right of Way Delay	Use when a right of way delay clause is required. Add to SSP 08-020.
SSP 08-030			

13.03.05.00 Utilities on Structures

Occasionally, utility facilities that are located on an existing bridge must be relocated to a new structure as a result of a rebuild. Additionally, utilities currently in an underground or aerial position may be relocated into a structure as part of the relocation plan. In these situations, special conditions that require early coordination with Structures must be met so Owner needs can be included in both the plans and project specials. Structures must be advised as early as possible of any Owner's desire to install facilities on a structure.

13.03.05.01 Coordination Requirements

The placement of utility facilities on structures requires special coordination between the Owner, the Department, and the highway contractor as to who provides what material, who installs it, Owner's time frame for required installations, who pays for what and when, etc.

Structures has produced a form (Exhibit 13-EX-7) to obtain needed information. The Utility Coordinator is responsible for forwarding the form to the Owner for timely completion and subsequent return to Structures through the Project Engineer. See Exhibit 13-EX-8 for a sample transmittal letter to the Owner.

If Structures finds the preliminary information acceptable, they advise the Utility Coordinator through the Project Engineer. The Owner should then submit detailed installation plans by the date Structures specifies. The Utility Coordinator then requests the Owner's estimate of cost and claim of liability (see Section 13.03.04.04). The Owner should normally be given a minimum of 60 days to prepare plans (see Exhibit 13-EX-9).

If Structures does not find the preliminary plans acceptable, they inform the Project Engineer. The Utility Coordinator conveys this decision to the Owner and advises them to redesign or to develop plans not using the structure.

As an alternative procedure, the Utility Coordinator may, by a focus meeting or series of focus meetings, coordinate the relocation with Design, Structures, the utility company, and other personnel the Coordinator deems necessary to complete the design.

13.03.05.02 Guidelines for Utilities on Structures

The Division of Structures has established guidelines that define size limitations and special design requirements for utility installations on bridge structures. These guidelines, shown in Table 13.03-2 entitled "Guidelines for Utilities on Structures," apply to normal installations where utilities are installed in a box girder cell, suspended between girders (I- or T-girder structure types), or in sidewalk slab. Unusual utilities must be analyzed on a case-by-case basis. The Project Engineer should make preliminary decisions on possible utility placement on the bridge before design of the structure has begun.

Table 13.03-2

GUIDELINES FOR UTILITIES ON STRUCTURES (Section 13.03.05.02)	
Description	Explanation
Size	The maximum allowable utility size depends on structural constraints. When the utility depth, including its casing, exceeds one-third the bridge structure depth, accommodating the utility is difficult. Any utility or its casing over 20 inches may not be acceptable, and Structures Design or Structures Maintenance must be consulted. The maximum diameter conduit allowed in sidewalks is 4 inches.
Type	<ol style="list-style-type: none"> 1. Electrical - The maximum voltage allowed in an electrical line is 69kv. High voltage installations in the sidewalk portions of the structure are strongly discouraged. Installing high voltage lines in box girder cells or between girders is preferable. Exceptions to this policy should be directed to Structures Design or Structures Maintenance. 2. High-Pressure Water and Sewer - The maximum diameter carrier pipe or casing allowed is 20 inches. The maximum operating pressure of a 20-inch carrier line is 100 psi. Full-length casing is required for all installations, but exceptions may be allowed for facilities in box girder bridges. 3. Volatile Gas - Installation must conform to Structures "Guidelines For Natural Gas Pipelines On Caltrans Bridges."
Combinations of Utilities	Volatile fluids, gases, or high voltage lines shall not occupy the same cell or area between girders with any other utility or with each other.
Seismic Design Requirements	<p>Owners of facilities carrying volatile fluids, gases, or high-pressure fluids must be provided with the following options to be used when designing their facilities for expected seismic movement within the structure.</p> <ol style="list-style-type: none"> 1. For existing structures, design for an expected minimum horizontal and/or vertical displacement of 2.5 inches. For new structures, design the facilities for an expected movement of 2.5 inches. 2. Provide an event-actuated device that will automatically shut off the utility line. 3. Provide a device that will detect a break in the utility line (and casing) and automatically shut off the utility line. 4. Locate the utility line off the bridge.

13.03.06.00 **Utility Acquisitions**

Public utility facilities impacted by highway construction normally have a functional replacement constructed and are seldom acquired. Exceptions are where the facilities are for administrative or other nonutility service uses.

The distinction between a public utility service use versus a nonutility use may be based on whether severance of the particular improvement directly affects utility service to one or more customers. An improvement that is determined to be a nonutility, e.g., corporate office, is appraised and acquired in the usual fashion.

The distinction between a public utility service and similar facilities that may only provide service to the Owner is frequently confusing (see Section 13.01.01.03). The latter improvements are appraised and acquired in the usual manner.

An exception to the purchased acquisition of private facilities is permissible for major oil companies where the Owner has agreed to application of standard rules on the functional replacement of facilities.

13.03.06.01 **Uniform Acquisition Act Requirements**

When the State or LPA acquires replacement right of way, the requirements of the Uniform Relocation Assistance And Real Property Acquisition Policies Act of 1970 (Uniform Act) and the Surface Transportation and Uniform Relocation Assistance Act of 1987 and its amendments to the Uniform Act apply.

When a privately owned utility acquires their own replacement right of way, the requirements of the Uniform Act do not apply.

13.03.06.02 **Acquisition From the Utility Owner**

Properties that lie in the path of transportation projects and are held in fee by Utility Owners must be purchased outright or exchanged.

Generally, most fee-owned property is for substations or pumping plants, although some Owners have fee-owned corridors for transmission purposes. (See Table 13.03-3 entitled "Acquisition from the Utility Owner."

Table 13.03-3

ACQUISITION FROM THE UTILITY OWNER (Section 13.03.06.02)	
Type	Requirement
Fee-owned	<p>All fee-owned property is acquired by R/W Acquisition via R/W Contract and Deed. Terms of the R/W Contract depend on whether the property in question is vacant or improved, and whether it is a site or a corridor. In all cases, the Utility Coordinator should consult with Acquisition to reach a full understanding about what the property is and how it may be used, now and in the future. Things to look for include:</p> <ol style="list-style-type: none"> 1. Vacant Site - The Owner may be holding the site for future use in conjunction with an existing facility, such as a substation expansion. 2. Vacant Corridor - Although treatment is similar to a vacant site, the possibility of easement acquisition on the Owner's behalf or JUA/CCUA should be explored. 3. Utility Facility Improved Site - Replacement of the site is usually necessary. If done, Acquisition may handle via a R/W Contract. Relocation or rearrangement of utility facilities shall be handled by the Utility Coordinator via Utility Agreement in coordination with Acquisition. 4. Utility Facility Improved Corridor - Same as for an improved site; however, the possibility of replacing fee with easement or JUA/CCUA should be explored. Access to the replacement corridor must be considered. 5. Nonutility Occupied - Acquire via normal appraisal/acquisition procedures.
Easement-owned	<ol style="list-style-type: none"> 1. Utility Occupied - Occupied easements are usually for transmission or distribution of the Owner's product. Where a replacement right of way is needed, the State or the Owner may acquire an easement. Usually the Owner's existing easement interest is quitclaimed to the State in exchange for the new location by executing a JUA/CCUA as a part of the utility relocation. 2. Nonutility Occupied - Acquisition is responsible for clearance of vacant easements.
Franchise/Permit Rights	<p>Except as noted below, the State is not obligated to provide a replacement right of way for utility facilities installed under a franchise or permit. In some cases, the State may need to make the method of installation for safety or other good reason a requirement for occupancy under an Encroachment Permit. For instance, the most common requirement is that the facility cannot continue to be installed within the right of way as an aerial facility. If the Owner does not meet our requirements for relocation within the new right of way, the Owner is responsible to provide any needed easement at their own expense.</p> <p>The exception is for facilities located within a freeway that will be relocated under S&H Code Section 702. Under Section 702, the State is obligated to provide a replacement easement if one is needed. Section 702 does not apply to Owners with master contracts that contain language superseding Section 702.</p>

13.03.06.03 **Acquisition for the Utility Owner (Replacement Right of Way)**

If the Utility Owner has superior occupancy rights, the State can acquire the needed replacement right of way. The Owner normally selects the replacement right of way location, subject to the normal constraint of providing for necessary functional replacement only. Either the State or the Owner may accomplish the acquisition. If the replacement location crosses a parcel where the State is to make a highway acquisition, the preferred acquisition method is to include it in the State's acquisition program. The State may acquire the replacement right of way by one of the following methods (in order of preference):

- Acquired in the name of the Owner, preferably on the Owner's own deed form.
- Acquired in the name of the State by deed and subsequently conveyed to the Owner by Director's Deed.
- Use of State-owned (or to be acquired) excess land. Care must be exercised in making any commitments regarding acquisition of excess land. Liaison with Excess Land should be maintained so easements are reserved in excess land conveyances.

If the utility facility being displaced is not in a superior right status, the State may acquire the replacement utility easement as a convenience to and at the expense of the Owner, but cannot condemn for it. Where the facility was in an encroachment permit status only (non-prior rights), replacement utility easements must never be acquired at State expense as this would constitute a gift of public funds.

13.03.06.04 **Consent to Condemnation for Exchange Purposes From the Owner**

Condemnation may be necessary if the State is unable to acquire the replacement right of way through normal negotiations. A "Consent of Owner to Condemnation for Exchange Purposes" must be obtained from the Owner pursuant to Code of Civil Procedure Section 1240.320 to support a "Resolution of Necessity" from the CTC.

Individual consent forms need not be secured on each condemnation for the Owners listed below that have a basic form of consent on file with the State.

- **Pacific Gas and Electric Company** (Exhibit 13-EX-15A) - The State can condemn for PG&E without additional authorization, except that easement needs and location must have PG&E's prior acceptance.
- **Southern California Edison Company** (Exhibit 13-EX-15B) - SCE requires the Company's written approval of both the complaint form and easement location.
- **AT&T California** (formerly SBC, Pacific Bell Telephone Company and Pacific Telephone and Telegraph Company) (Exhibit 13-EX-15C) - AT&T California requires the Company's written approval of the easement location.
- **Southern California Gas Company** (Exhibit 13-EX-15D)
- **General Telephone Company** (Exhibit 13-EX-15E)

For Owners that do not have a consent form on file, the Utility Coordinator shall prepare a consent form using one of the accepted filed forms (13-EX-15A-E) as a guide and forward it to the Owner for execution on an individual parcel basis. Upon return of the executed consent form, it should be filed in the parcel file.

13.03.06.05 **Utility Easements on Federal Lands**

On Federal Lands, the State acquires a DOT Highway Easement, a Right of Way Easement, a License or a Permit, not fee title, for the project. Therefore, the State does not have the authority to allow a utility company to relocate within our right of way. The utility company's Real Estate Department will be required to deal directly with the involved Federal agency. Depending on the authority at the time the existing utility easement was issued, the Federal agency may amend or require a new right of way. The time frame is typically six months to a year from the date the requested easement package is given to the Federal agency. Utility relocation cannot begin until the issuance by the Federal agency of the new right of way to the utility company.

The Utility Coordinator's responsibilities include:

- Contact the Regional/District FHWA Coordinator as soon as possible to establish a plan.
- Provide early identification of required utility easements at field review.
- Coordinate between Federal Lands Specialists, Utility Owner staff, and our environmental department.
- Ensure the potential easement rights are considered during the environmental document stage. If covered in the State's environmental document, the Federal agency will require a copy of the final environmental document. (This could save the utility company time in obtaining the new right of way.)
- Provide the Utility Owner with necessary mapping and forms.
- Follow the progress of the negotiations between the Utility Owner and the Federal agency to ensure timely delivery.

NOTES:

13.04.00.00 - LIABILITY DETERMINATION PHASE

13.04.01.00 General

Liability determination is the process of analyzing the occupancy rights of the owner of utility facilities being impacted by a highway project versus the State's rights. Prior and/or superior rights in the area of the impacted facility form the basis for determining responsibility for payment of relocation costs. The burden of establishing prior and/or superior rights rests with the Owner. If the State has cost liability, the district is responsible for accumulating the data, providing a complete and accurate Report of Investigation, and confirming and approving the liability. In the case of 100% Owner liability, a Report of Investigation is not required if the Utility Coordinator has a written acknowledgment or diary entry to document the Owner's acceptance for 100% liability. Until liability is approved, the district is not to provide any determination to the Owner.

Since an incorrect liability determination may be interpreted by Utility Owners as representing a change in current Department policy, thus adversely impacting statewide relationships, the Region/District will be required to immediately contact the Utility Owner and correct any errors.

13.04.01.01 Determining Superior Rights

The Owner is responsible to prepare, document and submit a claim for their declared right of occupancy. If the Utility Coordinator's investigation confirms the Owner has rights prior and superior to those of the State, and Headquarters R/W or the authorized district person concurs, the Owner is paid for all or a portion of the actual and necessary costs of the required relocation work.

13.04.01.02 Liability Calculation

Liability determination is generally based on occupancy rights. Liability for the relocation cost is the responsibility of the entity that has the subservient right in the area of the existing impacted facility. However, the factors in Table 13.04-1 entitled "Liability Determination Factors" must be taken into consideration. Also, if an Owner has an executed Freeway Master Contract, all liability determinations on freeway projects are governed by the terms in the contract. See Section 13.04.03.00, et seq.

If the entire impacted facility is within an area of a single type of occupancy right, the entry in the subservient position is responsible for 100% of the relocation cost. If the facility area of occupancy consists of more than one type of occupancy right, e.g., part within a utility easement and part under an Encroachment Permit, then a proration between Owner and State of the total cost must be calculated using one of the three methods shown in Table 13.04-2 entitled "Methods of Calculating Proration of Cost."

It is important to remember that only the impacted portion of the existing utility facility that lies within the State-owned or controlled project limits is counted or measured, as applicable, for use in the proration formula. However, the total cost to be prorated includes the cost of relocated facilities both within and outside the right of way. This total cost must not include any betterment or other nonreimbursable items of cost.

Table 13.04-1

LIABILITY DETERMINATION FACTORS (Section 13.04.01.02)	
Factor	Discussion
What is the legal basis, if any, under which the utility facility is occupying the property?	<p>Property rights are the primary determinant of the superior right of occupancy and will be based on one of the following:</p> <ol style="list-style-type: none"> 1. Fee Ownership 2. Easement (recorded or unrecorded) 3. Implied/Secondary Easement 4. Joint Use and/or Consent To Common Use Agreements 5. Prescriptive Right 6. Lease 7. License 8. Franchise 9. Encroachment Permit 10. Trespass <p>Normally, Items 1 through 5 establish prior rights, and the State is probably liable for relocation costs, unless the documents involved contain clauses that reserved to the original grantor the right to order one or more relocations at the grantee's expense.</p> <p>Occupancy under Items 6 through 10 usually requires that relocations be at the Owner's expense on conventional highways.</p> <p>Item 8 is addressed in S&H Code Section 680 for conventional highways. Item 9 is addressed in S&H Code Section 673. Item 7 is generally like a permit and can be canceled by the fee owner of the property; therefore, the State must be the fee owner of the property to exercise any contractual rights that were originally reserved by the grantors. Item 10 is generally treated as a highway encroachment permit.</p>
Is there a Freeway Master Contract between the Owner and State?	The State has entered into Freeway Master Contracts with several Owners. When the terms of a Freeway Master Contract address any specific S&H Code section or right, the terms of the Contract supersede the requirements of the applicable statute.
When was the route adopted by formal action of the CTC as a State Highway?	This date establishes the order of priority for the State and Owners for superior rights.
When was the adopted route declared by formal action of the CTC to be a freeway or expressway?	After the date of formal action, freeway statutes and Freeway Master Contracts apply.

Table 13.04-2

METHODS OF CALCULATING PRORATION OF COST (Section 13.04.01.02)		
Method	Usage	Explanation
Pole Count	Pole count is the normal method used for aerial facilities.	The calculation is based exclusively on the number of impacted poles located within the project limits where the Owner has the superior right, divided by the total number of impacted poles within the project limits. This calculation produces the State's share of the total relocation cost. Equal weight is normally given to each impacted pole within the project limits regardless of ancillary equipment or attachments such as guys, transformers, and switches. The impacted poles must be otherwise similar, as wood pole relocation costs are greatly different than special designed steel poles or other supporting structures. If impacted poles are of a mixed type, separate costing may be necessary for the dissimilar poles. See "Dollar Weighted" method below.
Facility Length	Measurement of the length of the impacted facilities is normally used for underground facilities, such as gas, sewer, and water, or for cables either directly buried or within conduits and for facilities on the surface, such as ditches or conduits.	The calculation to prorate liability is similar to the pole count method above and is based on the Owner's superior right length of the impacted facility lying within the project limits divided by the total impacted length within the project limits. The measured lengths must be of the same or similar size and type of facility, irrespective of ancillary equipment or features such as valves, manholes, switches, and transformers.
Dollar Weighted	This method is used where mixed facilities are to be prorated.	This approach requires considerably more effort and documentation, as it is necessary to establish and support an installed replacement cost new for the existing facilities. The simple cost of the materials is not sufficient to establish this proration. The calculation is based on the installed replacement cost new of the existing facilities located within the project limits where the Owner has the superior right, divided by the total of the installed replacement cost new for all of the impacted existing facilities within the project limits. This calculation produces the State's share of the total relocation cost.

13.04.01.03 Report of Investigation (ROI) Plan

The ROI plan is crucial to liability determination. Like an appraisal map, it shows who owns what and shows the before and after location of improvements and property rights. Since relocation liability is generally based on property rights, accurate plotting of the State's and Owners' rights of way is essential to an accurate liability determination. See Section 13.05.03.01 for specific ROI plan requirements.

13.04.02.00 Conventional Highway or Freeway

Liability determination methodology for conventional highway projects and freeway projects is basically the same. However, different S&H Code sections apply and some owners have signed Master Contracts that apply only to freeway projects. In addition, the Department has entered into numerous Positive Location Agreements where the cost of the positive locations, whether on a highway or freeway, will be the liability of the State. (See Section 13.03.03.01 for information about Positive Location Agreements.)

13.04.02.01 **Conventional Highway Relocations**

Liability for the cost of relocating facilities to provide for conventional highway construction is primarily based on occupancy rights. The Owner is generally obligated to remove, relocate, etc., their facilities at their sole expense unless such facilities are in place pursuant to rights prior and superior to those of the State. In addition, Section 13.04.05.02 [the relocation of a facility for a temporary move of the highway (detour)] and Sections 13.04.06.00-13.04.06.02 (a facility to be relocated pursuant to Water Code Section 7034 or 7035) modify and/or supersede basic occupancy rights.

If an existing conventional State highway route has been declared/designated a freeway, the project is considered a conventional highway project unless both the following conditions are met:

- The current project includes acquisition of access rights from adjoining properties.
- The current project right of way acquisition and roadway improvement are part of the ultimate freeway design.

NOTE: Where access rights are being acquired as part of a conventional highway, the project shall not be considered a freeway project unless the route has been designated as part of the freeway and expressway system (S&H Code Section 250, et seq.). If not so designated, S&H Code Sections 703 through 707.5 are not applicable to liability determination.

13.04.02.02 **Freeway Relocations**

Liability for the cost of relocating facilities to provide for construction of a State freeway or expressway is determined by a combination of occupancy rights, statutes (S&H Code Sections 700 through 707.5), and applicable Master Contracts.

Extension or reconstruction of city streets or county roads done in accordance with a Freeway Agreement that provides for closure of streets or roads for freeway construction is considered part of the freeway project for the purpose of determining liability.

Facilities installed in a road prior to a CTC resolution adopting the road as a State highway shall be considered as originally installed before the road became a State highway for application of S&H Code Sections 700, et seq. All new facilities, including additional equipment and cables installed in existing facilities, placed within the State freeway after the CTC resolution shall be relocated at the Owner's expense.

13.04.02.03 **Bicycle Path Construction**

S&H Code Section 156, et seq., provides that the Department may enter into an agreement with another agency for construction of bicycle paths or other nonmotorized transportation facilities along State highway rights of way. The Department's contribution, if any, toward the construction cost shall be based upon a finding that the facility will result in increased traffic safety or highway capacity. If construction of a new freeway will cause the severance or destruction of an existing nonmotorized transportation facility, the Department is to provide a reasonable alternative routing for the facility.

The Department's cost liability for relocation of utility facilities impacted by construction of bicycle paths is dependent on a number of factors and is determined in accordance with the rules in Table 13.04-3 entitled "Liability for Bikeways."

Table 13.04-3

LIABILITY FOR BIKEWAYS (Section 13.04.02.03)	
Situation	Rule
Freeway construction where there is no increase in highway safety or capacity due to the bikeway construction.	<ol style="list-style-type: none"> 1. Use of State highway funds for utility relocation is not authorized for a bikeway construction project when there is no increase in traffic safety or capacity. 2. If freeway construction severs or destroys an existing improved nonmotorized transportation route, Department shall pay the cost of utility relocation to provide a reasonable alternate route. 3. In designing freeways, Department shall consider local agencies' master plans for nonmotorized transportation, but the cost of construction other than design cost is the responsibility of the local agency or others.
Freeway construction with a supportable determination of increased highway safety or capacity due to the bikeway construction.	<ol style="list-style-type: none"> 1. If the nonmotorized transportation facility is designed and built within the freeway right of way and in connection with the freeway construction project, liability for utility relocation is pursuant to S&H Code Section 700, et seq., or the Freeway Master Contracts where applicable. 2. If construction of a nonmotorized transportation facility is outside the freeway right of way but within a frontage road, either State-owned or relinquished to a local agency, liability is based on common law priority of rights except when a Freeway Master Contract is involved. In the latter situation, the Contract will control.
Conventional State highway construction where there is no increase in highway safety or capacity due to the bikeway construction.	Use of State highway funds for utility relocation is not authorized for a bikeway construction project when there is no increase in traffic safety or capacity.
Conventional State highway construction with a supportable determination of increased highway safety or capacity due to the bikeway construction.	Cost of facility relocation is based on common law priority of rights. If the Utility Owner has prior and superior rights, payment for utility relocations may be paid from State highway funds.

13.04.03.00 Master Contracts

Following enactment of the Collier-Burns Act in 1947 (which includes most of S&H Code Sections 700-711), the accumulation of disputed claims was of such magnitude as to threaten delay of the newly enacted freeway program. To meet the problem, the Legislature in 1951 enacted S&H Code Section 707.5, which authorizes the Department to enter into contracts with Utility Owners that supersede the provisions of the S&H Code identified in such contracts and govern exclusively the apportionment of relocation costs.

Section 707.5 has been interpreted to allow the Department to apportion liability under these contracts so as to achieve the result that would have been obtained over a period of time in the absence of such contracts. Thus, the determination of the apportionment provisions, as well as other terms, has been based on examination of past experience and evaluation of liability in the future. These contracts, while involving compromise, reflect as nearly as the Department can predict the overall liability that would exist without them.

Freeway Master Contracts govern apportionment of the cost of rearranging facilities in connection with freeway projects in lieu of the provisions of S&H Code Section 700, et seq. In other words, under Master Contracts, the provisions of the S&H Code and other laws have no application to the rearrangement of the facilities on freeway projects and are replaced by the terms of the Master Contracts. The contracts do not affect relocations on conventional highways.

NOTE: Only three original contracts from the 1950s and 1960s remain in effect, which are shown as Exhibits 13-EX-18L, 13-EX-18M, and 13-EX-18N.

13.04.03.01 Interpretation of Master Contracts

Master Contract liability determinations apply to all State freeway projects regardless of who funds the project or does the work; therefore, consistent statewide interpretations are mandatory. (See Section 13.12.02.00 for more information.) However, the Master Contracts do not apply to any private-developer-initiated and privately funded project. In accordance with statutory and judicial law, the developer shall pay for all utility adjustments required to accommodate a private-developer-sponsored project. (See Section 13.12.04.00.)

There are several Master Contracts in place with different utility companies. A list can be found on HQ Right of Way Utility Relocations Web site at <http://pd.dot.ca.gov/row/offices/utility/>. Although the current Master Contracts are much simpler than previous Master Agreements, careful interpretation is crucial.

Application of Master Contracts to relocations on adjunct, ancillary or nonhighway use parcels/projects must be carefully considered and the HQ R/W Utility Liaison should be contacted for discussion.

Any question or conflict concerning interpretation of any terms or scope of a Master Contract may be submitted to Headquarters R/W if the district cannot resolve. Master Contracts can be found on the HQ Right of Way Utility Relocations Web site at <http://pd.dot.ca.gov/row/offices/utility/>.

13.04.03.02 Application of Master Contracts

Master Contracts apply to freeway projects as defined in the Master Contract on highways that are part of the California Freeway and Expressway system. See S&H Code Section 250, et seq., as a guide for a listing of applicable highway routes. A guide for each highway can be found at http://www.dot.ca.gov/hq/tsip/hseb/products/state_highway_routes_selected_information_1995_revised.pdf.

The project is not considered a freeway project unless access rights to adjoining property have been previously acquired or are being acquired as part of the immediate project.

Master Contracts apply to utility facilities within the freeway rights of way and any other frontage or local road being reconstructed as a direct part of the freeway project. Master Contract terms should not be applied to other ancillary highway improvement projects, such as park-and-ride lots and acquisition of replacement property sites, unless such sites are acquired as part of a freeway project.

13.04.04.00 Property Rights

The Owner may submit one or more superior right claims for a facility. Each prior right claim the Owner submits must be fully documented and supported. The documentation must be referenced in, and attached to, the Report of Investigation (ROI) (see Section 13.05.00.00). The types of property rights in the following sections are applicable to both conventional highways and freeways. They generally indicate how each superior right should be documented and the extent to which the Utility Coordinator should investigate the validity of the Owner's claim. (See also Table 13.03-3, "Acquisition from the Utility Owner.")

NOTE: When reviewing a superior rights claim, the Utility Coordinator must determine if there is a Master Contract with the Owner that may modify or supersede normal occupancy rights or statutes and establish the basis of the Owner's claim.

13.04.04.01 **Fee Ownership**

The State is liable for relocation costs any time the facility is on property where the Owner has fee title. The Utility Coordinator shall review title reports and right of way maps to verify Ownership.

All fee-owned property must be acquired by R/W Acquisition via R/W Contract and Deed. Relocation or rearrangement of utility facilities shall be handled by the Utility Coordinator via Utility Agreement in coordination with Acquisition. The Utility Coordinator must ensure the R/W Contract and/or Utility Agreement covering relocation does not set up a double payment for property rights.

13.04.04.02 **Easement**

In most cases, when the facility is located within an easement, recorded or unrecorded, the State is liable for relocation costs. When the Owner claims a superior right pursuant to a prior easement, the Utility Coordinator must verify the location of the easement, that the easement is valid and that the Owner's rights are prior and superior to the State's.

Any Owner's relocation obligation or other limitation clauses within the easement document may be passed to the State upon acquisition of the underlying fee and must be investigated to determine if they are in conflict with the Owner's claim. State's liability for relocation costs under a valid easement extends to subsequent additions to those facilities originally installed as long as the additions are not inconsistent with the terms of the easement.

13.04.04.03 **Implied/Secondary Easement**

All city-owned facilities located in city streets and county-owned facilities located in county roads that were installed in the street or road within the city or county jurisdictional limits prior to their becoming a State highway are considered to be installed in the Owner's implied easement reservation. All facilities so located are relocated at State expense. The Utility Coordinator should check permits, "as-built" drawings, and the Owner's records to confirm the facilities were installed prior to the date the CTC adopted the route.

After the date the CTC adopted the route, the local agency may maintain or even improve their facilities as long as the improved facility remains in substantially the same location. The local agency may not, however, expand upon their existing system by installing new parallel facilities except under the usual encroachment permit requirement.

Facilities not under the city's or county's direct ownership and control, such as regional sanitation or fire districts, are not subject to the implied/secondary easement liability rule.

13.04.04.04 **Joint Use and Consent to Common Use Agreements**

In most cases, the State will bear relocation costs for facilities installed within a JUA or CCUA area. The Utility Coordinator must determine that the JUA/CCUA existing facility is, in fact, in the area of the JUA/CCUA by comparing the facility location with the JUA/CCUA description. The document must also be reviewed for any conditions that may change or limit the Owner's rights such as:

- A JUA/CCUA based on prescriptive rights where the existing facility is different than the facility covered in the JUA/CCUA, e.g., rights for a buried 4-inch gas line but the facility to be relocated is a 16-inch gas line.
- A JUA/CCUA has an expiration date for the Owner's rights.

An Owner has the legal right to expand their facilities to the extent allowed by the terms and conditions of an easement deed. This right extends to a JUA and CCUA granted in recognition of existing easement deeds but does not extend to prescriptive right claims. Regardless of Owner's prior rights or existing JUA/CCUA, any expansion of Owner's facilities within the highway right of way must be in accordance with encroachment permit requirements. (See Section 13.11.00.00 for more information on JUA/CCUAs.)

13.04.04.05 **Prescriptive Right**

Relocation costs for facilities installed under a right of occupancy established by a prescriptive right may become the State's liability if the occupancy condition meets statutory requirements. The occupancy right must have been:

- established by the open and notorious adverse use of another's property, and
- installed on private property with the knowledge of the property owner but without a right of way, permit, lease, or other license, and
- continuously maintained in the same location for the prescriptive period of at least five years.

If underground facilities are involved, the original installation and continuous maintenance of the facility in the prescriptive location must be with the property owner's knowledge. Prescriptive rights cannot be established on publicly owned property. The Owner must submit a claim letter containing the above-mentioned statutory requirements (see Exhibit 13-EX-19 for an example).

The extent of the prescriptive easement is measured by the Owner's use during the preceding five years. Accordingly, the precise extent of the prescriptive easement, e.g., "a single line of poles with one cross-arm and eight telephone wires," should be set out in any instrument in which the State recognizes the superiority of such rights over those of the State.

The Owner has the burden of proof in establishing a valid claim to a prescriptive right. The factual situation where prescriptive rights are claimed shall be carefully investigated. The possibility of entry and occupancy under lease, permit, license, or other permissive use should be explored.

The determination of liability under Prescriptive Right requires the completion of Form RW 13-18.

13.04.04.06 **Lease**

A lease is similar to an easement; however, it is restricted to a specific time period written into the lease. The Utility Coordinator should investigate the validity of the lease in the same manner as for easements, e.g., the ownership and description. Any Utility Owner's relocation obligations or other limitation clauses contained in the lease may be passed to the State upon acquisition of the underlying fee and must be investigated to determine if they conflict with the Utility Owner's claim. If the Utility Owner has a valid lease and there are no provisions for Owners to pay for the relocation, the cost is usually the burden of the State.

13.04.04.07 **License**

A license is permission from a property owner for another person to use land. A license differs from an easement or a lease in that it is only between the two parties and cannot be transferred unless it is specifically written into the license. Normally, when an Owner has a license and the State acquires the property on which the facility exists, the license is no longer valid and the State can require the Owner to relocate at their own expense.

The Utility Coordinator must read the license to determine if the above requirements, such as successors or assigns, are mentioned in the license.

When evaluating a license, the Utility Coordinator must take into account the level of title the State has already acquired at the time of issuance of the Notice to Owner because only the fee owner of property can enforce conditions reserved in the license.

NOTE: When the Owner has placed substantial improvements within the license area, a review by Legal is necessary before determining liability.

13.04.04.08 **Franchise**

Utility facilities that are placed in public rights of way pursuant to a franchise privilege from a city or county, or pursuant to State Law do not convey any property rights and Utility Owners are to relocate at their own expense whenever requested to do so for a legitimate or proper governmental purpose by State or local authorities. Required relocations for construction of maintenance stations, highway drainage, truck inspection facilities, accommodation of other relocated utility facilities, functional replacement acquisition sites, etc., are covered under “proper governmental purpose.” However, circumstances of each utility relocation, with respect to provisions of the specific franchise involved, must be carefully reviewed. See also Section 13.04.05.02.

13.04.04.09 **Encroachment Permit**

An Encroachment Permit is a form of license that provides permission to the Owner to install a facility but does not convey any property rights. The permit also imposes certain restrictions on the Owner. The permit contains a relocation clause that states the Owner must relocate their facilities upon request at the Owner’s own expense. See also Section 13.04.05.01.

13.04.04.10 **Joint Pole Agreement Cost Liability Determination**

The California Public Utilities Commission has authorized the joint sharing of poles by different Utility Owners, through a Joint Pole Agreement (JPA) as a means of providing more cost effective service and to reduce “utility pole blight.” The JPA rarely, if ever, will convey property rights to the joint pole user. The Lead Pole Owner’s (Owner of the Pole) rights must be reviewed to determine joint pole user’s rights. As with any claim of property right, the Owner making such a claim must submit all necessary documents to support that claim.

On joint pole facilities, when multiple Owners are found sharing the pole, each joint pole user must submit all necessary documents to support their claim whether or not the JPA covers such use. The joint pole user may have a valid cost liability claim even though they occupy the pole under a lease, license, or permit with the Lead Pole Owner.

If the Utility Owner has a Freeway Master Contract, liability for the JPA will be determined pursuant to the Freeway Master Contract.

If the Region/District is unclear as to liability at this point, Headquarters’ Right of Way and Legal should be consulted.

13.04.05.00 **Streets and Highways Code**

The provisions of S&H Code Sections 673 and 680 authorize the State to issue a written notice to the Owner to remove, relocate, positively locate, etc., facilities installed under permit or franchise privilege at the Owner’s expense (see Sections 13.04.04.08 and 13.04.04.09).

Sections 700 through 711 pertain only to utility facilities in access-controlled freeways or expressways. Where the Owner has a valid superior right and is also entitled to reimbursement under one of the 700 series of the Code, the basis for the State’s liability must be the Owner’s superior right (unless modified by a Master Contract). This allows the State to perpetuate the Owner’s superior right within the freeway right of way.

Liability for the cost of relocating facilities to provide for improvement of State freeways is generally based on the superior occupancy right in the same manner as previously discussed for conventional highways. However, S&H Code Sections 702 through 707.5 modify this basis for freeway projects and must therefore be carefully reviewed and applied. In addition, Master Contracts modify and/or supersede S&H Code Sections 702 through 707.

Below is a description of each section within the S&H Code that applies to the relocation of utility facilities.

NOTE: As used in the following S&H Code Sections, “lawfully maintained” means “A utility facility that has a legal basis/right to be in its present location and, therefore, is not in trespass.” An Encroachment Permit satisfies the requirement of “lawfully maintained.”

13.04.05.01 **Section 673 - Relocation or Removal of Encroachment**

This section applies to publicly owned facilities, such as counties, cities, public corporations, or political subdivisions (governmental agencies), where the governmental agency has been issued an Encroachment Permit by the Department to install facilities within a conventional highway. When the facility requires relocation for improvement of the highway, the governmental agency must relocate at their own expense. See also Section 13.04.04.09.

13.04.05.02 **Section 680 - Franchises in State Highways; Temporary Relocations**

This section applies to Owners who have installed their facilities within a conventional highway by a franchise privilege guarded by a governmental agency. When the facility requires relocation for a highway improvement, the Department can enforce provisions of the franchise and require the facility to be relocated at Owner’s expense. An Owner may occasionally claim relocation is at State’s expense pursuant to provisions of their franchise. In these situations, the Utility Coordinator must review the franchise to ensure the provisions apply. See also Section 13.04.04.08.

Relocation for temporary purposes has historically been interpreted to mean a utility relocation that results from a temporary move of the highway (a detour). Thus, any utility adjustment resulting from a temporary move of the highway (a detour) is at State’s expense.

Utility relocations necessary to permit the safe construction of the highway project, such as utility “shooflies,” are not considered to be relocations for temporary purposes under the law. In this situation, the Owner has the option to temporarily relocate to clear construction or to permanently relocate to another location rather than to go back to their original location. In this situation, the Notice must not refer to a temporary relocation as it is entirely the Owner’s option as to whether they wish to return to the original location.

Liability for temporary relocations that are requested by the highway contractor as a means of convenience for construction shall be the highway contractor’s responsibility. The Project or Resident Engineer, as appropriate, shall determine construction necessity versus contractor’s convenience.

13.04.05.03 **Section 702 - Relocation Outside Freeway**

This section applies in situations where the Owner is required to remove and relocate their existing lawfully maintained facility to a location entirely outside the freeway right of way. The State must pay the reasonable and necessary cost of such removal, relocation, and reinstallation into the new location.

This section does not apply to relocation of the facility from one location within the freeway to another location within the freeway, nor does it apply to relocations into a service road or outer highway because these are considered part of the freeway.

Essentially, this section only applies if a utility easement is required to accomplish the relocation of the Owner’s facilities entirely outside the State’s or other public road right of way.

13.04.05.04 **Section 703 - Relocation Within Freeway**

This section applies to situations where the State requires the Owner to relocate their existing facilities from one location within a freeway right of way to another location within the freeway right of way. Several different types of facilities are covered as shown in Table 13.04-4 entitled “S&H Code 703 - Relocations Within Freeways - Types of Facilities.”

Table 13.04-4

S&H CODE 703 - RELOCATIONS WITHIN FREEWAYS - TYPES OF FACILITIES (Section 13.04.05.04)	
Type	Requirements
Publicly owned utility facilities other than sewers, fire hydrants, and street lights	<p>Whenever relocation of such facilities is required, the State shall pay the cost of relocation, provided the facility was lawfully maintained and originally installed in its existing location prior to the public roadway becoming part of a State highway.</p> <p>NOTE: An important critical control date for determining liability is the CTC freeway adoption date. The State highway alignment, including the local streets and roads within its boundaries, shall be considered a part of the State freeway from the CTC freeway adoption date forward.</p>
Privately owned water facilities	<p>Whenever relocation of such facilities used solely to supply water is required, the State shall pay the cost of relocation, provided the water facility was lawfully maintained and originally installed in its existing location prior to the local street or road becoming a State highway.</p>
Privately owned utility facilities other than water	<p>Whenever relocation of such facilities is required, the State must pay the cost of relocation provided:</p> <ol style="list-style-type: none">1. The facility was lawfully maintained and originally installed in its existing location prior to the local street or road becoming part of a State highway.2. The facility, as established by the Owner, is not under an express contractual obligation to relocate at the Owner’s expense. <p>NOTE: The term “express contractual obligation” means a written obligation. Franchises dated after 1937 were generally written to comply with the State Franchise Act, which does spell out the obligation in writing.</p>
Sewers, fire hydrants, and street lights	<p>Publicly owned sewers, publicly or privately owned fire hydrants, and publicly or privately owned street lighting structures that are required to relocate shall be relocated at State expense, regardless of maintenance or original date of installation in the local street or road.</p>

13.04.05.05 **Section 704 - Subsequent Relocation**

If the State requires an Owner to relocate any of their facilities within the freeway right of way more than once within a period of ten years, the State shall pay the cost of the second relocation and any subsequent relocation within the ten-year period. The ten-year period is interpreted as the date between completion of the original relocation to the beginning of construction on the subsequent relocation. Each time a new relocation is accomplished, the ten-year period starts anew.

13.04.05.06 **Section 705 - Allowable Credit on Relocation**

In any case in which the State is required under the provisions of the S&H Code to pay the cost of rearranging, removing or relocating any facility, the State shall be entitled to credits as shown in Table 13.04-5 entitled "S&H Code Section 705 - Allowable Credits."

Table 13.04-5

S&H CODE SECTION 705 - ALLOWABLE CREDITS (Section 13.04.05.06)	
Type	Explanation
Betterment Credit	<p>The State should only pay for a functional equivalent replacement of the impacted utility facility. Any increase in the size or capacity of the facility that is for the Owner's benefit is considered the Owner's betterment. The State shall receive a credit for the difference between the cost of the functional replacement of the original facility and the cost of the facility as constructed.</p> <p>There are exceptions to the general rule. However, any betterments that result in increased capacity or more desirable placement that the Owner may claim to be at State's expense must be carefully reviewed. In the following instances, betterment may, at the State's discretion, be accepted as part of the State's liability:</p> <ol style="list-style-type: none">1. Required by the highway project.2. Replacement devices or materials that are of equivalent standards although not identical.3. Replacement of devices or materials no longer regularly manufactured with next higher grade or size.4. Required by State or Federal law or regulation.5. Required by current design practices regularly followed by the Owner in their own work, but only if there is a direct benefit to the highway project. <p>The Utility Coordinator is responsible to determine the overall scope of the betterment, and Audits is responsible to verify accuracy of the Owner's calculation. Usually, betterment issues must be discussed with Headquarters R/W before final resolution.</p> <p>Betterment is normally measured by an increase in size or capacity such as a larger pipe, a greater number of telephone circuits, additional conduits, or a higher capacity power line. A betterment credit is not limited to the cost of materials, but must include all increased costs of engineering and installing the betterment facilities. Examples of some extra costs may be additional engineering, special construction methods, and increased overhead.</p>

Table 13.04-5 (Continued)

S&H CODE SECTION 705 - ALLOWABLE CREDITS (Section 13.04.05.06)	
Type	Explanation
Salvage Credit	<p>When relocation is required, the State shall be given credit for the value of any materials from the old facility that the Owner removes and/or retains from the construction project. Generally, such material is either reconditioned and returned to stock or sold as scrap. Under PUC accounting regulations, Utility Owners shall provide a credit based on the original cost.</p> <p>The State is entitled to a credit for each item of material returned to stock at its current inventory price less depreciation and less cost of reconditioning. The State is also entitled to a credit in the amount of the sales price or, if not sold at the time of billing, the estimated value for materials sold or to be sold as scrap or junk.</p> <p>The Owner must be made aware that the State will not participate in the cost of removing a facility where the cost is greater than its salvage value unless it has to be removed for safety or aesthetic reasons. See Section 13.04.07.09 for additional discussions of removal of hazardous material.</p>
Accrued Depreciation Credit/Used Life Credit	<p>The State shall receive credit for accrued depreciation on the old facilities whenever the relocation of a facility is required. Where there are no replacement facilities, such as for abandoned facilities, credit for depreciation shall not be taken.</p> <p>Accrued depreciation credit is an allowance for the value of expired service life or used life. Expired service life/used life is that portion of a facility's useful life for which the Owner has received a return on their investment or benefit of service. The credit given shall be based on straight line depreciation computed on original installed cost, age of facility and normal expected life as reflected in the Owner's books or calculated by industry standards. For example:</p> $\text{Credit} = \frac{\text{Age of Facility}}{\text{Normal Expected Life}} (\text{Original Cost})$ <p>Following are special conditions for handling accrued depreciation credits for publicly owned sewers and private oil company facilities:</p> <ol style="list-style-type: none"> Publicly owned sewers - The State is not entitled to receive a credit for accrued depreciation on relocations of publicly owned sewers. Private oil companies - The State is to receive a credit for depreciation on noncommon carrier (nonpublic utility) longitudinal facilities owned by oil companies. The State has historically calculated accrued depreciation credit on the following basis: <ul style="list-style-type: none"> Straight-line depreciation, as with other Utility Owners, except the normal expected life will always be 40 years, as previously agreed to by the State and the oil companies. In other words, only for the purpose of calculating accrued depreciation credits, the subject oil facility will always have a normal expected life of 40 years. Credit is not to exceed 70 percent of the original installation cost. When no accrued depreciation credit is provided, or the credit supplied is zero, the Owner must supply proof of the remaining service life of the facility and a written certificate from the Owner's comptroller or chief accountant stating that no part of the replacement facility will be capitalized or depreciated. (See Section 13.07.06.02.)

13.04.05.07 **Section 707.5 - Contracts With Utilities; Freeway Master Contracts**

Statutes provide that the State and any Owner, as defined in S&H Code Section 700, may enter into a contract providing for pro rata liability for the costs for affected utility facilities.

(See Section 13.04.03.00 and Exhibit 13-EX-18 for further information on Master Contracts.)

13.04.06.00 **Water Codes**

Water Code Sections 7034 and 7035 were enacted to cover liability for existing bridges and water conduits lying within the existing right of way for crossings of either freeways or conventional highways. Conduits include canals, ditches, culverts, pipelines, flumes, or other facilities for conducting water. "Bridge" means a structure constructed to allow the conducting of water underneath by canal, ditch, flume or other uncovered facility for conducting water.

If a conduit is relocated or replaced pursuant to Section 7034 or 7035, the State is not entitled to credit for depreciation, but will be entitled to credits for betterments and salvage. The State shall only be responsible for replacement in kind, e.g., same size and type.

Application of Section 7034 or 7035 is not to be considered where the conduit is located longitudinally in the highway. Where the facts of a situation fall within both sections, Section 7034 will be applied. Sections 7034 and 7035 are not to be used if the Owner of the facility has some form of property right, such as fee title or easement.

When the Utility Company cannot provide information showing the facility predated the highway, the Utility Coordinator may have to make some additional verification efforts. The Utility Coordinator should refer to old Departmental as-builts, old subdivision maps, old title reports, or old aerial or other historical photographs. The Utility Coordinator should also discuss the existing facility with District Maintenance to determine if the Department has ever performed maintenance acts that may tie the Department to liability for the relocation.

The determination of liability under the Water Code requires the completion of Form RW 13-19.

13.04.06.01 **Section 7034**

Section 7034 provides that the bridge or conduit will become the sole responsibility of the county (or the State where the county road has subsequently become a State highway) where it has been or will be placed across county roads, if:

- The facility has been constructed in a permanent manner and constructed or brought up to county standards.
- The facility has been accepted either formally or informally by the county.

Acceptance is defined as:

- **Formal acceptance** - Formal acceptance means the County Board of Supervisors has taken appropriate action, usually in the form of a motion or resolution.
- **Informal acceptance** - While the meaning of informal acceptance (action) is not free from doubt, evidence of the act or acts by the county exercising jurisdiction over the conduit or bridge and indicating an intent on the part of the county to take over the facility, such as periodic acts of maintenance or substantial repairs or replacement, represent informal acceptance of the facility.

If both of the above requirements are fulfilled, the bridge or conduit becomes the sole responsibility of the county or the State if the county road has subsequently become a State highway. The State is obligated to structurally maintain, repair, improve for the benefit of the county or the State, reconstruct, or replace such bridge or conduit. The Owner shall be responsible for keeping the conduit clean and free from obstruction and debris to ensure the free passage of water in the conduit. (See Utility Clause V-10 in Section 13.07.03.05 for specific utility clause language.)

In a relocation under Section 7034, a JUA or CCUA should not be issued to the Owner as this implies the Owner had prior rights. The Utility Owner would remain under an encroachment permit.

13.04.06.02 **Section 7035**

The effect of Section 7035 is to establish responsibility for relocation costs when an existing conduit (but not a bridge) crosses the highway without evidence of prior rights and the State's records of its right of way do not establish a superior right. Section 7035, where applicable, establishes a conclusive presumption of prior rights in the conduit Owner. Use Section 7035 only if some other form of prior rights cannot be established. This law also requires the replaced or reconstructed conduit resulting from a State-initiated project to become the State's responsibility for future repairs, relocation, replacement and structural maintenance similar to that required by Section 7034. This applies only to the conduit portion of Owner's facilities that lie within the State highway right of way and does not apply if such repair or replacement is necessary by negligent or wrongful acts of the Owner.

In addition, the Owner shall be responsible for keeping the conduit clean and free from obstructions and debris to ensure the free passage of water in the conduit. (See Utility Clause V-10 in Section 13.07.03.05 for specific utility clause language.) In no event is the State to accept responsibility for maintenance of the conduit, such as cleaning out dirt or silt.

The issuance of a JUA or CCUA is appropriate for a relocation under Water Code Section 7035.

Special clauses in the JUA/CCUA may be appropriate (see Sections 13.07.03.05 and 13.11.05.01).

13.04.07.00 **Special Liability Issues**

There are numerous types of miscellaneous costs for which the Owner may or may not be reimbursed that do not directly relate to a single authorizing statute. Liability for reimbursement of such costs is determined by previous legal interpretation or judicial ruling of existing utility relocation law and from nonutility related statutes. Unique costs must be cleared with Headquarters R/W before entering into an agreement requiring State reimbursement of such unique costs.

13.04.07.01 **Interest During Construction**

State utility regulations permit Utility Owners to be reimbursed for interest expenses on funds used or borrowed for use during construction as a cost of construction (also known as Allowance on Funds Used During Construction or AFUDC). The California PUC has accepted these regulations as being applicable to State-ordered relocation work. Final reimbursement of interest charges is conditioned on Audit approval. In general, interest is allowed only where unreimbursed completed work is substantial, the facility has not yet been put back into service, and the Owner is using monthly or quarterly progress billing to minimize outstanding reimbursable costs. These interest expenses are not Federal-aid reimbursable. (See also Sections 13.07.03.04 IV-3 and 13.14.10.01.)

13.04.07.02 **Contributions in Aid of Construction (CIAC)/Income Tax Component of Contributions and Advances (ITCCA)**

Utility billings for reimbursement of relocation expenses pursuant to a Utility Agreement are not subject to CIAC/ITCCA and will not be paid.

After enactment of Section 824 of the Federal Tax Reform Act of 1986, the IRS released Bulletin 1987-51 which provides guidance with respect to the treatment of CIAC. The IRS determined the contributions by customers or potential customers are not contributions to capital and are not excluded from gross income and are, thus, taxable. However, the IRS subsequently determined that many types of relocation fees were not affected by this change. Where the utility is being reimbursed for the costs of relocating utility lines to accommodate the construction or expansion of a highway for the benefit of the public at large and not for the provision of utility services, those reimbursements are not taxable. This should also include Local Public Agency (LPA) projects, but not private developer initiated, privately funded projects.

If the Utility Coordinator receives an estimate or bill including this charge, return it to the Owner and direct them to remove it and resubmit the bill.

13.04.07.03 **Clearance of Highway Adjunct Properties**

On occasion, the State acquires separate properties for the purpose of fulfilling a highway construction or operational need, such as roadside rests, park-and-ride lots, weigh stations, and mitigation parcels. Relocation of utility facilities on these properties follows the same laws and rules applicable to the highway project for which these adjunct sites were acquired. This means that a park-and-ride lot in support of a freeway follows laws and rules applicable to freeways. See Section 13.04.03.02, Application of Master Contracts.

13.04.07.04 **Extraordinary Relocation Costs**

The State normally pays its pro rata share of all reasonable and necessary utility relocation costs. The State generally does not accept total responsibility for a unique item of cost merely on the basis that the Owner would not have incurred the extra cost except for the State-ordered relocation. Some of the more frequent examples are discussed below. Other less frequently occurring examples may be found in the Utility Reference File.

- **Clearing and grubbing of new right of way** - Where possible, utility relocations are coordinated with the highway construction project so the utility relocation may take place after the highway contractor has cleared the new right of way. If this delayed relocation is not feasible, the utility work may have to proceed in advance. The State is not liable for the additional cost beyond its usual pro rata share.
- **Owner's overtime costs** - If the State fails to provide a reasonable time frame for the Owner to complete necessary relocation activities without incurring highway construction contractor delay costs, the State may be liable for the additional expense. The District Utility Coordinator may authorize State-paid labor overtime upon approval by the HQ Utility Liaison. The authorization should be made a part of the Notice and clearly state the necessity for such extraordinary costs. Whether or not the State is responsible for a pro rata portion of the relocation costs, the State's specific liability for the cost of overtime is limited to the difference between the premium wage and the regular wage. The District Utility Coordinator should not request HQ's approval for payment of labor overtime simply because of the Owner's lack of planning or scheduling. This additional cost is not Federal-aid reimbursable.
- **Wasted work** - Sometimes as a result of a change in design or construction change order, completed relocation work has to be redone. The State is liable for all such wasted relocation work regardless of the initial liability proration (see Section 13.09.04.00). The cost of such wasted relocation work is not Federal-aid reimbursable.
- **Hazardous waste costs** - Should the Owner incur extra costs due to the removal or disposal of hazardous waste, the State, at a minimum, pays its pro rata share of the extra costs. If hazardous waste is encountered within the project limits, the spoils and associated handling costs are dealt with in the same manner and liability as project construction hazardous waste costs. The extra costs incurred for hazardous waste found outside the project right of way, such as on local streets beyond project construction, are reimbursed in accordance with the State's pro rata liability in the same manner as for any other type of extraordinary construction costs associated with utility relocations. (See Section 13.01.02.05.) (Refer to the Freeway Master Contract for details of handling hazardous materials and their associated costs on freeway projects for those Owners who have a current Freeway Master Contract.) The cost of hazardous waste removal is Federal-aid reimbursable.

13.04.07.05 **Delayed or Canceled Projects**

Owners are required by law to relocate their facilities in compliance with an issued Notice. If such a required relocation is completed in part or totally at the Owner's expense, and the project is subsequently canceled by the CTC's official action, the Owner shall be entitled to reimbursement of their wasted work costs. If the project is merely delayed, even for what appears to be an indefinite period of time, reimbursement is not required so long as the project remains on the State's program for future construction. Headquarters R/W prior approval shall be obtained before obligating the State to any reimbursement of this type. If HQ R/W approves the State's reimbursement of these costs, the Utility Coordinator must ensure the costs are not billed to FHWA, as they are not Federal-aid reimbursable.

13.04.07.06 **Future Maintenance of Water Conduits**

The State shall not accept liability to maintain the interior of a water conduit, such as silt removal, on the basis of a claim that the conversion or extension of an existing open ditch to a conduit has increased the Owner's operating costs. Even though the State may have placed the conduit and is thus becoming the owner of it, the water provider shall be responsible for all maintenance associated with the product conveyance.

On the basis of a factual, nonspeculative showing that there are additional real costs arising out of the State-caused relocation, the State may be liable for some of the additional new costs. Compensation must be based on the present worth of the future labor and equipment costs that are shown to substantially exceed current maintenance costs for open ditch maintenance. This same premise may be applied to other similar situations that may cause increased costs associated with a major change to an existing facility, such as the addition of a sewer lift pump. HQ R/W prior approval should be obtained before entering into any Utility Agreement obligating the State to these types of costs.

13.04.07.07 **Loss of Plant, Investment, or Business**

The State is required by law to physically replace the utility facility in the same functionally equivalent state of operation in the after condition as it was before. Relocation costs, therefore, do not include the cost of abandoned property, loss of income resulting from loss of customers, loss of revenue due to temporary shutdowns, or for any other form of consequential damages.

13.04.07.08 **Undergrounding**

When a project conflict exists and the State must relocate an existing aerial utility facility, the State cannot pay any portion of the undergrounding costs unless the undergrounding is based on an engineering need for the State's project or is the most cost effective. Undergrounding requirements as established by local government for aesthetic purposes are not binding upon the State. The State is only obligated to pay for replacement of the functional utility that previously existed. If the State determines undergrounding is necessary for engineering reasons or is the most cost effective relocation, only then are these costs Federal-aid reimbursable.

13.04.07.09 **Abandonment or Removal Costs**

Costs for removal or abandonment of existing utility facilities are reimbursable provided the removal or abandonment is necessitated by the highway project, required for aesthetic or safety reasons, or contains hazardous material that cannot safely remain. In many cases, it may be feasible to abandon the existing utility facilities in place if the existing facilities will not conflict with the proposed highway project. Abandonment of underground facilities containing hazardous material, e.g., asbestos and lead, should be discussed with Region/District Environmental. If removal is required, the State will reimburse Owner for normal pro rata costs for removal effort only.

In cases where there is no need to remove the existing utility facilities but the Owner elects to proceed with the removal, the State shall not pay any removal costs above the salvage value of recovered materials credited to the project.

NOTE: Due to safety problems that may arise during the vacancy or demolition/removal of an improvement with a gas meter, the Owner is usually instructed to remove the meter when the improvement is to remain vacant. The removal date must be coordinated with R/W Property Management. The State will reimburse the Owner for removal costs based on liability of the gas distribution line located in the adjoining street.

Meter removal costs are paid without credit for salvage value. Under Federal-aid reimbursement requirements, these costs must be coded as demolition costs for the project (see Section 13.14.03.02).

13.04.07.10 **Additional Spare Ducts for Underground Conversion of Aerial Telephone Facilities**

A long-term understanding with telephone Owners provides that the State will reimburse additional duct costs for State-ordered conversion of nonfiber-optic aerial facilities to underground. This was based on the premise that typical aerial installation was constructed to provide for a minimum capability to install four cables even if fewer were initially installed. Therefore, whenever nonfiber-optic aerial facilities are ordered to be converted to a like-form underground installation, the following table is used as a basis for allowed State reimbursement.

<u>Number of Existing Cables</u>	<u>Number of Replacement Ducts</u>
1	4
2	4
3	4
4	6
5	7
6	8
7	9
8	10

If the existing facilities to be placed underground are fiber-optic, the State will only reimburse for duct installations on the basis of the number of ducts needed to replace the existing telephone capability plus one spare duct.

NOTE: FHWA will only reimburse on the basis of providing one spare duct regardless of the type of existing facility.

13.04.07.11 **Disruption of Service Facilities**

Service facilities that are located on the property being served are usually there by permission of the property owner as a requirement for receiving utility service. The State in acquiring the property being served may, as the new property owner, revoke the owner's permission for occupancy and thus require the service facilities to be removed or abandoned.

If some portion of the impacted property remains in private ownership with a continuing need for utility service or provides current service to other remaining properties, the State is liable for whatever facility adjustments may be necessary. Other than removal of portions of the severed facilities for safety reasons, which is handled by Notice and Agreement, all other utility adjustment costs are treated as cost-to-cure damages in the acquisition of the impacted parcel.

13.04.08.00 **Liability Undetermined**

The Utility Coordinator shall make every effort to determine liability prior to issuance of a Notice to Owner. However, in situations where the Owner is unable to provide timely documentation that will allow the State to verify the information necessary to determine liability in a reasonable time, and when project schedule delays may occur, a Notice can be issued with liability undetermined. District Utility Coordinator approval is required prior to issuing this type of Notice.

Liability undetermined is not to be used simply because the staff work necessary to determine liability for a relocation has not been done. The liability package for liability undetermined should contain everything that is normally provided for a liability approval with the exception of the proration of liability. The liability statement will simply read: "Liability is undetermined." (For Owners with a Freeway Master Contract, see Section 13.04.08.02 for modified liability statement.)

The Owner must agree to accept the Notice with liability undetermined and perform the relocation. The Owner's acceptance should be in writing. If the Owner does not provide a firm (enforceable) commitment, the certification and project could be in jeopardy. A copy of the Owner's letter or other documentation regarding acceptance of liability undetermined should be included in the liability package.

13.04.08.01 Request for Approval of Liability Undetermined

The request for approval of a liability undetermined transaction must be in writing and must contain all of the elements required by Section 13.05.01.00, with complete and detailed supporting documentation. In addition, the Report of Investigation must cite and support the reasons for the request for liability undetermined.

A preaward evaluation may be necessary before approval can be made where the transaction involves work by Owner's contractor, a substantial dollar amount or an Owner with whom the State has not recently done business. Be sure to check the most recent Utilities Reference File (URF) memorandum for current preaward evaluation criteria, dollar thresholds, and a listing of preapproved utility companies.

Upon approval, a Conceptual FHWA Specific Authorization with liability undetermined is issued authorizing the district to issue only the Notice to Relocate. The Utility Agreement cannot be sent to the Owner until the final Report of Investigation, detailing the liability, is approved and a full FHWA Specific Authorization is issued.

In all instances where a Notice to Owner has been issued under liability undetermined, the Utility Coordinator shall expeditiously settle liability determination with the Owner. The final Report of Investigation package, including the Owner's Claim Letter and the Utility Agreement, should normally be submitted within 30 days of the date of the Notice to Owner unless the District Utility Coordinator approves an extension.

13.04.08.02 Liability Undetermined - Master Contract

On Freeway projects where there is a Master Contract between the Owner and the State and liability is undetermined, the liability statement on the Notice to Owner should state "Liability is pursuant to the Freeway Master Contract dated _____."

The above liability statement is used in lieu of "Liability is undetermined" as liability for Owners with Master Contracts is always based on one or more sections of the Contract.

13.04.09.00 Liability in Dispute

Unlike right of way acquisition, there is no administrative settlement process to resolve disputes in utility relocations because liability issues are largely based on a factual determination of what is required to produce a functional replacement for the impacted facility and who has the superior right.

The preferred method of resolution is to mutually agree on how to handle a particular situation and what the liability should be. As the Owner's areas of operation may encompass other districts or the situation may reoccur with another Owner, a statewide resolution of the problem is essential. This may require Legal, as well as Headquarters R/W, work with the district toward its resolution.

Litigation is normally used where a large cost is involved or a significant legal premise is at stake. The decision to proceed to litigation depends heavily on Legal's input as well as Right of Way functional needs.

A compromise settlement should only be used for a low-cost situation or a very specialized issue that, in the district's opinion with Headquarters R/W concurrence, is not apt to reoccur or set a bad precedent. The Utility Coordinator, with the concurrence of the DDC-R/W, develops a proposed settlement and sends it to Headquarters R/W for approval. HQ R/W will obtain concurrence by Legal, when necessary, and will return the settlement to the District Utility Coordinator with a letter of approval or denial.

13.04.09.01 **Agreement to Disagree**

The resolution of the dispute may be too time consuming to be accomplished and still meet project dates. The Utility Coordinator should attempt an “agree-to-disagree” understanding with Owner. With the Owner’s concurrence, the Notice may be issued using “liability in dispute” as the liability statement in the Notice. All Agreements issued in this manner require HQ R/W approval prior to issuance.

If the Owner does not concur with the issuance of a Notice on this basis, the provision of S&H Code 706 must be enforced. This requires the State to advance a deposit to cover the disputed cost of the work, and, when so advanced, the Owner is obligated to complete the utility relocation as ordered. State’s deposit shall not include the cost of any Owner-initiated betterments. A special agreement is required (see Exhibit 13-EX-17) to cover the advanced funds. Advanced funds require specific handling requirements and special accounting coding. See Sections 13.01.02.10, 13.07.03.04 (IV-4), and 13.10.03.00. When funds are advanced, the Utility Coordinator must work proactively to ensure an accurate accounting for work progress and continue to work toward ultimate resolution of the dispute.

13.04.09.02 **Liability In Dispute - Master Contract**

On Freeway projects where there is a Master Contract between the Owner and the State and liability is in dispute, the liability statement on the Notice to owner should state “Liability per Freeway Master Contract, dated _____, is in dispute.”

13.04.10.00 **Processing Approved Liability Package**

Once liability is approved, either by Headquarters R/W or the authorized district representative, the Utility Coordinator prepares a cover letter to the Owner transmitting the Notice to Owner, Encroachment Permit, and Utility Agreement (if required). See Exhibit 13-EX-13 for elements of the transmittal letter.

NOTES:

13.07.00.00 - UTILITY AGREEMENTS

13.07.01.00 General

Pursuant to State Administrative Manual 8300, et seq., and S&H Code Division 1, Chapter 1, Article 3, Section 94, the State and the Utility Owner must enter into a Utility Agreement (Form RW 13-5) whenever the State is paying or receiving payment for all or a portion of the cost of relocation of a utility facility, regardless of who performs the work. The number assigned to each Utility Agreement shall be the same number assigned to the corresponding Notice to Owner covering the same facilities. Each Utility Agreement must be submitted with the Report of Investigation package (see Section 13.05.01.00).

13.07.02.00 Circumstances Requiring a Utility Agreement

The State must prepare a Utility Agreement for each facility being relocated or adjusted by the Utility Owner or its contractor with State reimbursement of the cost or being relocated or adjusted by the State's contractor, regardless of who is responsible for the cost. The Utility Coordinator is responsible for preparing the Utility Agreement.

A single Agreement is used for each Owner's involvement on a single construction project to the extent possible.

Instructions for completing the Utility Agreement are found with Form RW 13-5.

NOTE: An "involvement" is defined as the issuance of a Notice to Owner to a Utility Owner for a specific utility type on one project (EA). For example, if a project has relocations for PG&E-Gas Transmission, PG&E-Gas Distribution, and PG&E-Electric Distribution, it would require three (3) Notices to Owner, equaling three (3) involvements. An involvement also includes a Notice for Positive Location (potholing) for each specific utility type.

13.07.03.00 Standard Clauses

The clauses in the following sections have been standardized and shall be used whenever possible. Use of these standard clauses will reduce errors and omissions as well as save preparation, review, and approval time as the clauses have been reviewed and approved by most major Utility Owners and Department's Headquarters Legal Division. The following standard clauses are numbered for ease of reference. The Utility Coordinator preparing the Utility Agreement selects the appropriate clause(s) to be used.

Before using any nonstandard clauses, the Utility Coordinator must obtain approval of necessity and language from HQ R/W and HQ Legal.

13.07.03.01 Section I. Work to Be Done:

I-1. Work Performed by Owner per Owner's Plan:

"In accordance with Notice to Owner No. _____ dated _____, OWNER shall _____ All work shall be performed substantially in accordance with OWNER's Plan No. _____ dated _____ consisting of _____ sheets, a copy of which is on file in the District office of the Department of Transportation at _____. Deviations from the OWNER's plan described above initiated by either the STATE or the OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by the STATE and

agreed to/acknowledged by the OWNER, will constitute an approved revision of the OWNER's plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to written execution by the OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the revised Notice to Owner."

NOTE: Significant changes in previously approved plans and estimates require a revised FHWA Specific Authorization (Form RW 13-15).

I-2. Work Performed by State's Contractor per State's Plans:

"In accordance with Notice to Owner No. _____ dated _____, STATE shall relocate OWNER's _____ as shown on STATE's contract plans for the improvement of State Route _____, EA _____ which by this reference are made a part hereof. OWNER hereby acknowledges review of STATE's plans for work and agrees to the construction in the manner proposed. Deviations from the plan described above initiated by either the STATE or the OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by the STATE and agreed to/acknowledged by the OWNER, will constitute an approved revision of the plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to written execution by the OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the revised Notice to Owner. OWNER shall have the right to inspect the work during construction. Upon completion of the work by STATE, OWNER agrees to accept ownership and maintenance of the constructed facilities and relinquishes to STATE ownership of the replaced facilities."

NOTES:

(1) On projects where Federal reimbursement will be sought, additional information is necessary on the FHWA Specific Authorization (Form RW 13-15). See Section 13.14.04.00 for specific wording requirements.

(2) In the event the Owner wants to retain ownership of their old facilities removed by the State's highway construction contractor, a clause stating this fact must be included in the "Special Provisions" portion of the State's highway construction contract. Otherwise, the "Standard Specifications" of the contract will award all salvaged material to the State's contractor. If the Owner wants to retain ownership of the replaced facility, the Clause above must be modified to delete "and relinquishes to STATE ownership of the replaced facility."

(3) Whenever liability is determined pursuant to Water Code Sections 7034 or 7035, Standard Clauses I-2, 3 or 4 shall be modified by the deletion of the sentence: "Upon completion of the work by STATE, OWNER agrees to accept ownership and maintenance of the constructed facilities and relinquishes to STATE ownership of the replaced facility." (Clause V-10 shall then be added to the Utility Agreement.)

I-3. Work Performed by State's Contractor per Owner's Plan:

"In accordance with Notice to Owner No. _____ dated _____, STATE shall relocate OWNER's _____ as shown on OWNER's Plan No. _____ dated _____, which plans are included in STATE's Contract Plans for the improvement of State Route _____, EA _____ which, by this reference, are made a part hereof. Deviations from the OWNER's plan described above initiated by either the STATE or the OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by the STATE and agreed to/acknowledged by

the OWNER, will constitute an approved revision of the OWNER's plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to written execution by the OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the revised Notice to Owner. OWNER shall have the right to inspect the work by STATE's contractor during construction. Upon completion of the work by STATE, OWNER agrees to accept ownership and maintenance of the constructed facilities and relinquishes to STATE ownership of the replaced facilities."

NOTE: See NOTES under Clause I-2.

I-4. Work Performed by Both Owner and State's Contractor per Owner's Plan:

"In accordance with Notice to Owner No. _____ dated _____, OWNER shall _____ All work shall be performed substantially in accordance with OWNER's Plan No. _____ dated _____ consisting of _____ sheets, a copy of which is on file in the District office of the Department of Transportation at _____."

"Deviations from the OWNER's plan described above initiated by either the STATE or the OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by the STATE and agreed to/acknowledged by the OWNER, will constitute an approved revision of the OWNER's plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to written execution by the OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the revised Notice to Owner."

"It is mutually agreed that the STATE will include the work of _____ as part of the STATE's highway construction contract. OWNER shall have access to all phases of the work to be performed by the STATE for the purpose of inspection to ensure that the work being performed for the OWNER is in accordance with the specifications contained in the highway contract. Upon completion of the work performed by STATE, OWNER agrees to accept ownership and maintenance of the constructed facilities and relinquishes to STATE ownership of the replaced facilities."

NOTE: See NOTES under Clause I-2.

13.07.03.02 **Section II. Liability for Work:**

II-1. State's Expense - S&HC Section 702 or 703:

"The existing facilities are lawfully maintained in their present location and qualify for relocation at STATE expense under the provisions of Section (702) (703) of the Streets and Highways Code."

II-2. State's Expense - S&HC 704:

"This is a second or subsequent relocation of existing facilities within a period of ten years; therefore, relocation is at STATE expense under the provisions of Section 704 of the Streets and Highways Code."

II-3. State's Expense - Superior Rights:

"Existing facilities are located in their present position pursuant to rights superior to those of the STATE and will be relocated at STATE expense."

II-4. State's Expense - Service Line on Private Property:

"The facilities are services installed and maintained on private property required for highway purposes and will be relocated at STATE expense."

II-5. State's Expense - Prescriptive Rights:

"The existing facilities are located in their present position pursuant to prescriptive rights prior and superior to those of the STATE and will be relocated at STATE expense."

II-6. Owner's Expense - Encroachment Permit:

"The existing facilities are located within the STATE's right of way under permit and will be relocated at OWNER's expense under the provisions of Section (673) (680) of the Streets and Highways Code."

II-7. Owner's Expense - Trespass:

"The existing facilities are located within the STATE's right of way in trespass and will be relocated at OWNER's expense."

II-8. State or Prorated Expense - Right of Way Contract:

"The existing facilities described in Section I above will be relocated (at STATE expense) (at _____% STATE expense and _____% OWNER expense) as set forth in Right of Way Contract No. _____ dated _____."

II-9. State or Prorated Expense - Master Contract:

"The existing facilities described in Section I above will be relocated (at STATE expense) (at _____% STATE expense and _____% OWNER expense) in accordance with (Section _____ of the Master Contract dated _____) (Sections _____ of the Master Contract dated _____ in accordance with the following proration: _____.)"

NOTE: Where liability for portions of the utility facility to be relocated will be based on different sections of the Master Contract, insert the equation used to develop the overall percentage of liability in the Utility Agreement in the space following the word "proration:".

II-10. Prorated Expense - No Master Contract:

"The existing facilities described in Section I above will be relocated at _____% STATE expense and _____% OWNER expense in accordance with the following proration: _____."

NOTE: Where liability for portions of the utility facility to be relocated will be based on different sections of the S&H Code or other government code, insert the equation used to develop the overall percentage of liability for the relocation in the space following the word "proration:".

II-11. PG&E Master Agreement - Potholing:

This section has been superseded by the Agreement for the Positive Location of Underground Facilities executed by PG&E dated January 3, 2002.

II-12 Liability in Dispute - Deposit is not a Waiver of Rights:

“Ordered work described as _____ is in dispute under Section _____ of the Streets and Highways Code. That in signing this Agreement neither STATE nor OWNER shall diminish their position nor waive any of their rights nor does either party accept liability for the disputed work. STATE and OWNER reserve the right to have liability resolved by future negotiations or by an action in a court of competent jurisdiction.”

NOTE: The appropriate Payment for Work clause (IV-1, 2, 8 or 9) must also be modified by inclusion of “after final liability determination and” immediately following “45 days.”

13.07.03.03 Section III. Performance of Work:

III-1. Owner’s Forces or Continuing Contractor Performs Work:

“OWNER agrees to perform the herein described work with its own forces or to cause the herein described work to be performed by the OWNER’s contractor, employed by written contract on a continuing basis to perform work of this type, and to provide and furnish all necessary labor, materials, tools, and equipment required therefore, and to prosecute said work diligently to completion.”

III-2. Owner Performs Work by Competitive Bid Process:

“OWNER agrees to cause the herein described work to be performed by a contract with the lowest qualified bidder, selected pursuant to a valid competitive bidding procedure, and to furnish or cause to be furnished all necessary labor, materials, tools, and equipment required therefore, and to prosecute said work diligently to completion.”

III-3. State’s Contractor Performs All or a Portion of Work:

“OWNER shall have access to all phases of the relocation work to be performed by STATE, as described in Section I above, for the purpose of inspection to ensure that the work is in accordance with the specifications contained in the Highway Construction Contract; however, all questions regarding the work being performed will be directed to STATE’s Resident Engineer for their evaluation and final disposition.”

III-4. Owner to Hire Consulting Engineer:

“Engineering services for locating, making of surveys, preparation of plans, specifications, estimates, supervision, inspection, _____ (delete or add services as established by the Owner’s Agreement with the consultant) are to be furnished by the consulting engineering firm of _____ on a fee basis previously approved by STATE. Cost principles for determining the reasonableness and allowability of consultant costs shall be determined in accordance with 48 CFR, Chapter 1, Part 31; 23 CFR Chapter 1, Part 645; and 18 CFR, Chapter 1, Parts 101, 201 and OMB Circular A-87, as applicable.”

NOTE:

- (1) If the Utility Owner is not regulated by the Federal Energy Regulatory Commission (FERC), you may delete reference to 18 CFR.**
- (2) OMB Circular A-87 applies to local agencies and local governments.**

III-5. Owner and State's Contractor Performs Work:

"OWNER agrees to perform the herein described work, excepting that work being performed by the STATE's highway contractor, with its own forces and to provide and furnish all necessary labor, materials, tools, and equipment required therefore, and to prosecute said work diligently to completion."

III-6. Out-of-State Travel Expenses and Per Diem:

"Use of out-of-state personnel, or personnel requiring lodging and meal ("per diem") expenses will not be allowed without prior written authorization by State's representative. Requests for such permission must be contained in OWNER's estimate of actual and necessary relocation costs. OWNER shall include an explanation why local employee or contract labor is not considered adequate for the relocation work proposed. Per diem expenses shall not exceed the per diem expense amounts allowed under the State's Department of Personnel Administration travel expense guidelines."

III-7. Prevailing Wage Requirements for Contracted Work:

"Pursuant to Public Works Case No. 2001-059 determination by the California Department of Industrial Relations dated October 25, 2002, work performed by OWNER's contractor is a public work under the definition of Labor Code Section 1720(a) and is therefore subject to prevailing wage requirements. OWNER shall verify compliance with this requirement in the administration of its contracts referenced above."

13.07.03.04 Section IV. Payment for Work:

IV-1. Owner Operates Under PUC, FERC or FCC Rules:

"The STATE shall pay its share of the actual and necessary cost of the herein described work within 45 days after receipt of five (5) copies of OWNER's itemized bill, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense incurred and charged or allocated to said work in accordance with the uniform system of accounts prescribed for OWNER by the California Public Utilities Commission, Federal Energy Regulatory Commission or Federal Communications Commission, whichever is applicable.

"It is understood and agreed that the STATE will not pay for any betterment or increase in capacity of OWNER's facilities in the new location and that OWNER shall give credit to the STATE for the "used life" or accrued depreciation of the replaced facilities and for the salvage value of any material or parts salvaged and retained or sold by OWNER."

NOTES:

(1) When a lump-sum payment method is to be used, substitute Clause IV-8 or IV-9 as appropriate for Clause IV-1 or IV-2 and IV-3.

(2) See Clause IV-10 for work being done by State's contractor.

(3) "Used life" refers to the period of economic usefulness in a particular owner's operations as distinguished from physical life; it is evidenced by the actual or estimated retirement and replacement practice of the owner or the industry.

(4) See Section 13.07.06.02 for depreciation clause for Oil Companies.

(5) For "Liability in Dispute" Utility Agreements, add the wording "after final liability determination and" immediately following "45 days" on IV-1, 2, 8 or 9. See Note II-12 for cross reference.

IV-2. Owner Does Not Operate Under PUC, FERC or FCC Rules:

“The STATE shall pay its share of the actual and necessary cost of the herein described work within 45 days after receipt of five (5) copies of OWNER’s itemized bill, signed by a responsible official of OWNER’s organization and prepared on OWNER’s letterhead, compiled on the basis of the actual and necessary cost and expense. The OWNER shall maintain records of the actual costs incurred and charged or allocated to the project in accordance with recognized accounting principles.”

“It is understood and agreed that the STATE will not pay for any betterment or increase in capacity of OWNER’s facilities in the new location and that OWNER shall give credit to the STATE for the accrued depreciation or “used life” of the replaced facilities and for the salvage value of any material or parts salvaged and retained or sold by OWNER.”

NOTES:

(1) Section 705 of the S&H Code states that “A credit allowance for age shall not be applied to publicly owned sewers.” In these cases, the following words “... for the accrued depreciation or “used life” of the replaced facilities and ” shall be eliminated from the second paragraph above.

(2) See NOTES under Clause IV-1.

IV-3. For All Owners - Progress/Final Bills:

“Not more frequently than once a month, but at least quarterly, OWNER will prepare and submit progress bills for costs incurred not to exceed OWNER’s recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills not to exceed the amount of this Agreement may be made under the terms of this Agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and approval by STATE of documentation supporting the cost increase and after an Amendment to this Agreement has been executed by the parties to this Agreement.”

“The OWNER shall submit a final bill to the STATE within 360 days after the completion of the work described in Section I above. If the STATE has not received a final bill within 360 days after notification of completion of OWNER’s work described in Section I of this Agreement, and STATE has delivered to OWNER fully executed Director’s Deeds, Consents to Common Use or Joint Use Agreements as required for OWNER’s facilities, STATE will provide written notification to OWNER of its intent to close its file within 30 days and OWNER hereby acknowledges, to the extent allowed by law, that all remaining costs will be deemed to have been abandoned. If the STATE processes a final bill for payment more than 360 days after notification of completion of OWNER’s work, payment of the late bill may be subject to allocation and/or approval by the California Transportation Commission.”

“The final billing shall be in the form of an itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, the STATE shall not pay final bills which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER and approval of documentation by STATE. Except, if the final bill exceeds the OWNER’s estimated costs solely as the result of a revised Notice to Owner as provided for in Section I, a copy of said revised Notice to Owner shall suffice as documentation. In either case, payment of the amount over the estimated cost of this Agreement may be subject to allocation and/or approval by the California Transportation Commission.”

“In any event if the final bill exceeds 125% of the estimated cost of this Agreement, an Amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNER’S final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement, shall have the prior concurrence of STATE.”

“Detailed records from which the billing is compiled shall be retained by the OWNER for a period of three years from the date of the final payment and will be available for audit by State and/or Federal auditors. Owner agrees to comply with Contract Cost Principles and Procedures as set forth in 48 CFR, Chapter 1, Part 31, et seq., 23 CFR, Chapter 1, Part 645 and/or 18 CFR, Chapter 1, Parts 101, 201, et al. If a subsequent State and/or Federal audit determines payments to be unallowable, OWNER agrees to reimburse STATE upon receipt of STATE billing.”

NOTES:

(1) See NOTES under Clause IV-1.

(2) Contract Cost Principles and Procedures of 48 CFR, Federal Acquisition Regulations Systems, Chapter 1, Part 31 have been accepted as the State’s standards for all projects including State-only funded projects.

(3) See Manual Sections 13.04.07.01, 13.10.02.03, and 13.14.10.01 for additional information.

(4) If Utility Owner is not regulated by FERC, modify above clause by deleting reference to “and/or 18 CFR, Chapter 1, Parts 101, 201, et al.”

IV-4. Advance of Funds - State Liability:

“OWNER, at the present time, does not have sufficient funds available to proceed with the relocation of OWNER’s facilities provided for herein. It is estimated that the cost of the work provided for by this Agreement and, as hereinafter set forth, is the sum of \$_____. STATE agrees to advance to OWNER the sum of \$_____ to apply to the cost of the work to be undertaken as provided hereinabove. Said sum of \$_____ will be deposited by the STATE with OWNER within 45 days after execution of the Agreement by the parties hereto and upon receipt of an OWNER’s bill for the advance.”

“It is further agreed that upon receipt of the monies agreed upon to be advanced by STATE herein, OWNER will deposit said monies in a separate interest-bearing account or trust fund in state or national banks in California having the legal custody of said monies in accordance with and subject to the applicable provisions of Section 53630, et seq., of the Government Code; and all interest earned by said monies advanced by STATE and deposited as provided for above shall be credited to STATE.”

“In the event actual and necessary relocation costs as established herein are less than the sum of money advanced by STATE to OWNER, OWNER hereby agrees to refund to STATE the difference between said actual and necessary cost and the sum of money so advanced. In the event that the actual and necessary cost of relocation exceeds the amount of money advanced to OWNER, in accordance with the provisions of this Agreement, STATE will reimburse OWNER said excess costs upon receipt of five (5) copies of an itemized bill as set forth herein.”

NOTE: Advance of funds should not exceed 90% of the Utility Agreement amount due to possible credits for depreciation, salvage, etc. No funds are to be advanced to cover owner initiated betterments.

IV-5. Loan of Funds - Owner Liability:

“OWNER recognizes its legal obligation to relocate its facility at its own cost, but, at the present time does not have sufficient funds available to proceed with the relocation of OWNER’s facilities provided for herein. It is estimated that the cost of the work provided for by this Agreement and, as hereinafter set forth, is the sum of \$_____. STATE agrees to advance to OWNER the sum of \$_____, in accordance with Section 706 of the Streets and Highways Code, to apply to the cost of the work to be undertaken as provided hereinabove. Said sum of \$_____ will be deposited by the STATE with OWNER within 45 days after execution of the Agreement by the parties hereto and upon receipt of an OWNER’s bill for the advance.”

“It is understood that OWNER shall pay interest upon receipt of said advance. The rate of interest shall be the rate of earnings of the Surplus Money Investment Fund and computation shall be in accordance with Section 1268.350 of the Code of Civil Procedure.”

NOTE: See State Controller’s Office Web site at <http://www.sco.ca.gov/ard/surplus/smifrate.pdf> for the Surplus Money Investment Fund rate chart.

IV-6. Agreement for Identified Betterments:

“It is understood that the relocation as herein contemplated includes betterment to OWNER’s facilities by reason of increased capacity in the estimated amount of \$_____ (which represents _____% of the estimate dated _____. Said _____% shall be applied to the actual and necessary cost of work done), and OWNER shall credit the STATE for the actual and necessary cost of said betterment, all of the accrued depreciation and the salvage value of any materials or parts salvaged and retained by OWNER.”

IV-7. State Performs Work - Owner Requested Betterments:

“The STATE shall perform the work under Section I above at no expense to OWNER except as hereinafter provided.”

“It is understood that the relocation as herein contemplated includes betterment to OWNER’s facilities by reason of increased capacity in the estimated amount of \$_____, said amount to be deposited upon demand in the _____ Office of the Department of Transportation, prior to the time that the subject freeway/highway contract bid is opened by the STATE. The final betterment payment shall be calculated based upon the actual quantities installed as determined by the STATE’s engineer, and the current cost data as determined from the records of the OWNER. In addition, the OWNER shall credit the STATE at the time of the final billing for all the accrued depreciation and the salvage value of any material or parts salvaged and retained by the OWNER.”

NOTE: A memorandum must be sent to Accounting requesting the Owner be billed for the amount of betterment.

IV-8. Lump-Sum/Flat-Sum Billing Utility Agreements (Excluding Pac Bell/SBC):

“Upon completion of the work, and within 45 days after receipt of five (5) copies of OWNER’s bill, signed by a responsible official of OWNER’s organization, and prepared on OWNER’s letterhead, STATE will pay OWNER the lump-sum amount of \$_____. The above lump-sum amount has

been agreed upon between the STATE and the OWNER and includes any credits due the STATE for betterment, depreciation and salvage.”

NOTE: For lump-sum amounts in excess of \$25,000, the following clause should be added.

“STATE and OWNER further agree that for lump-sum payments in excess of \$25,000, that STATE shall have the option of performing an informal audit of OWNER’s detailed records from which the billing is compiled. The purpose of STATE’s audit shall be to establish the continued acceptability of using lump-sum payments for high cost relocations and shall not in any way affect the amount or acceptability of the lump-sum amount herein agreed to. OWNER shall keep supporting detailed records available for STATE review for a period of one year following OWNER’s submittal of final bill.”

NOTE:

(1) Lump-sum Utility Agreements should be used for all utility involvements where the STATE’s cost is estimated to be \$100,000 or less, and the conditions of Section 13.05.04.00 can be met.

(2) See Clause IV-9 for Pac Bell/SBC lump-sum Utility Agreements.

IV-9. Lump-Sum/Flat-Sum Pac Bell/SBC Billing Utility Agreements:

“Upon completion of the potholing and relocation work, and within 45 days after receipt of five (5) copies of OWNER’s bill, signed by a responsible official of OWNER’s organization, and prepared on OWNER’s letterhead, STATE will pay OWNER the lump-sum amount of \$_____. The above lump-sum amount, for the physical relocation work, has been agreed upon between the STATE and the OWNER and includes any credits due the STATE for betterment, depreciation and salvage.”

NOTE: Although most positive location will be done pursuant to the Positive Location Agreement, if Pac Bell/SBC will be conducting their own potholing, the following clause should be added.

“In addition to the amount specified above, the STATE will pay the OWNER an additional amount of \$_____ for each pothole location requested by the STATE in order to determine the location of the OWNER’s facilities. It is estimated that _____ pothole locations will be required. The final cost for potholing will be the lump-sum amount of \$_____ per pothole location times the actual number of pothole locations.”

NOTE: For lump-sum amounts in excess of \$25,000, the following clause should be added.

“STATE and OWNER further agree that for lump-sum payments in excess of \$25,000, that STATE shall have the option of performing an informal audit of OWNER’s detailed records from which the billing is compiled. The purpose of STATE’s audit shall be to establish the continued acceptability of using lump-sum payments for high cost relocations and shall not in any way affect the amount or acceptability of the lump-sum amount herein agreed to. OWNER shall keep supporting detailed records available for STATE review for a period of one year following OWNER’s submittal of final bill.”

NOTE:

(1) Lump-sum Utility Agreements should be used for all utility involvements where the STATE’s cost is estimated to be \$100,000 or less and the conditions of Section 13.05.04.00 can be met.

(2) Use of this clause also requires that the fees and form shown in Exhibit 13-EX-22 be used by Pac Bell/SBC.

IV-10. State's Contractor Performs Portion of Work-Owner Liability:

NOTE:

(1) Insert the following Clause after Clause IV-1 or IV-2, unless the Owner is liable. As soon as the Utility Agreement is executed, a memorandum shall be sent to Accounting requesting the OWNER be billed.

(2) Use only this Clause if a Phase 4 or Phase 5 Utility Agreement where the Owner is liable.

"The OWNER shall pay its share of the actual cost of said work included in the STATE's highway construction contract within 45 days after receipt of STATE's bill, compiled on the basis of the actual bid price of said contract. The estimated cost to OWNER for the work being performed by the STATE's highway contractor is \$_____."

"In the event actual final relocation costs as established herein are less than the sum of money advanced by OWNER to STATE, STATE hereby agrees to refund to OWNER the difference between said actual cost and the sum of money so advanced. In the event that the actual cost of relocation exceeds the amount of money advanced to STATE, in accordance with the provisions of this Agreement, OWNER hereby agrees to reimburse STATE said deficient costs upon receipt of an itemized bill as set forth herein."

NOTE: See Section 13.08.02.01 regarding advance of funds process for Master Contract Owners.

13.07.03.05 Section V. General Conditions:

V-1. State Liable for Review and Design Costs, Project Cancellation Procedures and Utility Agreement Subject to State Funding Clauses - FOR ALL OWNERS:

"All costs accrued by OWNER as a result of STATE's request of _____ (date) to review, study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement."

"If STATE's project which precipitated this Agreement is canceled or modified so as to eliminate the necessity of work by OWNER, STATE will notify OWNER in writing and STATE reserves the right to terminate this Agreement by Amendment. The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement."

"All obligations of STATE under the terms of this Agreement are subject to the passage of the annual Budget Act by the State Legislature and the allocation of those funds by the California Transportation Commission."

V-2. Notice of Completion - FOR ALL OWNERS:

"OWNER shall submit a Notice of Completion to the STATE within 30 days of the completion of the work described herein."

V-3. Owner to Acquire New Rights of Way with STATE liable for a portion of costs:

"Total consideration for rights of way to be acquired by OWNER for this relocation shall not exceed \$_____ (e.g., \$2,500) unless prior approval is given by the STATE. Said property shall be appraised and acquired in accordance with lawful acquisition procedures."

NOTE: A reasonable easement cost limitation must be stated to preclude excessive acquisition cost.

V-4. State to Provide New Rights of Way Over State Lands:

“Such Director’s Easement Deeds as deemed necessary by the STATE will be delivered to OWNER, conveying new rights of way for portions of the facilities relocated under this Agreement, over available STATE owned property outside the limits of the highway right of way.”

“STATE’s liability for the new rights of way will be at the proration shown for the relocation work involved under this Agreement.”

NOTE: New rights of way shall mean a right of way described in the same language as found in the OWNER’s document by which it acquired, or held, its original right of way.

V-5. State to Provide New Rights of Way Over Private Lands:

“STATE will acquire new rights of way in the name of either the STATE or OWNER through negotiation or condemnation and when acquired in STATE’s name, shall convey same to OWNER by Director’s Easement Deed. STATE’s liability for such rights of way will be at the proration shown for relocation work involved under this Agreement.”

NOTE: New rights of way shall mean a right of way described in the same language as found in the OWNER’s document by which it acquired, or held, its original right of way. In those cases where the OWNER requests acquisition be made in their name, it will be permissible to negotiate or condemn in their name, providing the OWNER has the power to condemn and the State has OWNER’s consent for condemnation on OWNER’s behalf. The above paragraph should be revised accordingly.

V-6. State to Issue a JUA or CCUA:

“Where OWNER has prior rights in areas which will be within the highway right of way and where OWNER’s facilities will remain on or be relocated on STATE highway right of way, a Joint Use Agreement or Consent to Common Use Agreement shall be executed by the parties.”

V-7. Master Contract Specifies Equal Replacement Rights:

“Upon completion of the work to be done by STATE in accordance with the above-mentioned plans and specifications, the new facilities shall become the property of OWNER, and OWNER shall have the same rights in the new location that it had in the old location.”

V-8. Federal Aid Clause - No Master Contract:

“It is understood that said highway is a Federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement.”

V-9. Federal Aid Clause - Master Contract:

“It is understood that said highway is a Federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement by reference; provided, however, that the provisions of any agreements entered into between the STATE and the OWNER pursuant to State law for apportioning the obligations and costs to be borne by each, or the use of accounting procedures prescribed by the applicable Federal or State regulatory body and approved by the Federal Highway Administration, shall govern in lieu of the requirements of said 23 CFR 645.”

NOTE: The FHWA allows liability to be determined in accordance with the terms of Master Contracts in lieu of otherwise applicable S&H Code sections.

V-10. Facilities Replaced per Liability Determination Under Water Code Sections 7034 and 7035:

“Inasmuch as Water Code Section (7034) (7035) requires STATE to be responsible for the structural maintenance of the conduit portion of OWNER’s facilities which transports water under the highway at Engineer’s Station _____, STATE will repair or replace the conduit portion of OWNER’s facilities which lies within the STATE highway right of way when such becomes necessary unless such repair or replacement is made necessary by negligent or wrongful acts of the OWNER, its agents, contractors or employees; provided that the OWNER shall keep the conduit clean and free from obstruction, debris, and other substances so as to ensure the free passage of water in said conduit. In no event shall STATE be liable for any betterments, changes or alterations in said facility made by or at the request of the OWNER for its benefit.”

NOTES:

(1) Use of Clause V-10 is dependent upon prior Legal approval that the applicable Water Code Section applies to the situation.

(2) See NOTE under Clause I-2 and Section 13.11.05.01.

13.07.04.00 Processing

All Utility Agreements must be submitted for approval, along with the Report of Investigation, either to Headquarters R/W or to the authorized Region/District representative.

Each Region/District may have its own internal procedures for processing the Utility Agreement for approval. Following are the minimum requirements:

- Prepare four originals of the Utility Agreement. All four originals will become fully executed “wet-ink” originals.
- Process the four original Utility Agreements through P&M for EA setup and funding verification. P&M shall “wet-ink” sign all four original Utility Agreements. P&M shall then forward the four originals to R/W Accounting for certification of funds. R/W Accounting shall “wet-ink” sign all four originals. All Utility Agreements where work is done by the Utility Owner/Owner’s contractor will be encumbered with R/W (“Phase 9”) funds.
- Construction (“Phase 4”) funds will be needed for any utility relocation work done by the State’s contractor. Construction funds are normally not encumbered by R/W; therefore, P&M must coordinate with District Construction before encumbrance of “Phase 4” funds can be accomplished.
- The funding block on the last page of the Utility Agreement must reflect all project phases funding the specific Utility Agreement.
- Accounting will “wet-ink” sign all four originals of the Utility Agreement to show funds have been certified (encumbered) and will return all four originals to R/W.
- The Utility Coordinator will transmit all four original Utility Agreements, along with the Notice and Permit as required, to the Owner for execution. See Exhibit 13-EX-13 for elements of the transmittal letter. The letter should instruct the Owner to make a copy of an executed Utility Agreement for the interim for their files.

NOTE: There is no State requirement that the Owner execute the Utility Agreements first. With some Owners, it may be more expedient for the State to execute first and then forward to the Owner for execution.

NOTE: One of the restrictions of Legislative Budgeting is the State can only pay bills the owner presents within four fiscal years following the fiscal year in which funds were encumbered. If payment is necessary after the five fiscal years, the Utility Agreement may need to be re-encumbered, or an Amended Utility Agreement may be needed. P&M receives an annual report of Utility Agreements about to expire and will notify Utilities.

NOTE: Utility Agreements encumbered during the fiscal year should be fully executed prior to the end of the same fiscal year, or shortly thereafter. HQ Accounting has been instructed to disencumber any encumbered Utility Agreements not fully executed by the end of the fiscal year. If the Utility Agreement remains partially executed/unexecuted, the Utility Coordinator shall coordinate with P&M and/or Accounting to determine how to proceed.

As soon as the Owner returns the Utility Agreement:

- Check for four “wet-ink” signed originals. Be sure the Owner’s signature complies with their bylaws or charter. Check for a copy of their resolution, if one is required. The person or official signing the agreements should have the proper authority delegated to him/her by the Utility Company/Owner to sign the agreements.
- If the Utility Agreements are not dated, date them to match the Owner’s transmittal date.
- Obtain State execution of the four original Utility Agreements as required. Make one machine copy of the Utility Agreement.
- Distribute the fully executed original Utility Agreements and machine copy as follows:
 - Send ONE original document to the Utility Owner with instructions to replace and destroy the interim copy in their files. The transmittal letter must include the elements shown in Exhibit 13-EX-23.
 - Retain ONE original document in the Region/District’s file. The fully executed, wet-ink original Utility Agreement shall never be removed from the file, unless required in response to a written request from HQ Legal or in compliance with a court order.
 - Send TWO originals to R/W Accounting. One original is for R/W Accounting’s files; One original is for transmittal to the State Controller’s Office at the time of the first payment request.
 - Send the machine copy to HQ Audits along with a copy of the E-76, if required, and a copy of the Utility Owner’s estimate.

13.07.04.01 **Processing a Phase 4 or Phase 5 Utility Agreement where the State’s Contractor will be handling all or a portion of the Utility Relocation for the Owner**

The primary purpose of a Phase 4 Utility Agreement is to correctly allocate the Liability for the work per relocation plans and estimate the amount of construction funds that the State will need to complete the utility relocation when the State’s contractor performs the work. Per Section 13.07.02.00, a Utility Agreement is needed for work completed by the State’s Contractor, regardless of the extent of State liability.

The Utility Agreement will be prepared with specific attention to the paragraphs which show the work, part or all, the State's Contractor will perform. The "Funding Type" block (generally on the last page) will use a Phase 4 Expense Authorization under Construction Funds and show the estimated amount. P&M must coordinate with District Construction per 13.07.04.00, processing of Utility Agreements.

If the Liability is 100% State

- The Utility Agreement will be sent to the Owner for signature and then signed by authorized Region/District Representative (13.07.04.00) and retained in the Utility File. The Utility Coordinator will show the estimated amount on the "Funding Type" block and No Routing to Headquarters "Accounts Receivable" is required. The relocation is processed as a bid item in the contract. This agreement is primarily prepared for the purpose of Paragraph I to have the Owner agree to the relocation plans being used, and Paragraph III-3 to specify that the Resident Engineer has the final disposition.

If the Liability is Prorated

- The Department's estimated portion of the liability will be shown on the "Funding Type" block of the Utility Agreement. A fully executed copy of the Utility Agreement will be forwarded to Headquarters "Accounts Receivable" (see 13-EX-29) where an invoice will be prepared and sent to the Owner. Headquarters Accounting will place the Owner's funds in the Construction Contract and the Resident Engineer will handle them in the same manner as other construction funds. The State's portion of liability for the relocation is processed as a bid item in the contract. An actual cost Utility Agreement is preferred when the relocation costs are significant. Headquarters Accounting will reconcile the final cost by creating a refund of excess amounts paid by the Owner or a billing for underestimated amounts.

If the liability is 100% Owner

- A fully executed copy of the Utility Agreement will be forwarded to Headquarters "Accounts Receivable" (see 13-EX-29) where an invoice will be prepared and sent to the Owner for their portion. The remaining procedure is the same as shown in "Prorated" above.

In all circumstances, the Utility Coordinator should prepare an ROI package (13.05.01.00) and verify that the work is listed as a bid item on the utility portion of the Right of Way Certification. A fully executed copy of the Utility Agreement must be sent to the Utility Owner in all circumstances.

On a Minor B Project where the State's Contractor will relocate the Owner's facilities (i.e., adjustment of manhole or value covers to grade), use a Phase 5 Expense Authorization on the Utility Agreement and process as above. Headquarters Accounting and 03.02.02.00 require this.

13.07.04.02 Processing a Phase 4 or Phase 5 Construction Funds and a Phase 9 Capital Right of Way Funds as One Utility Agreement

Section 13.07.02.00 indicates that the Utility Coordinator should process a single agreement to the extent possible for each involvement. Although you can process a single utility agreement for Phase 4 Construction Funds and Phase 9 Capital Right of Way together on one agreement form, there are situations where this may not be practical. Although this issue does not arise frequently, the District Utility Coordinator should evaluate each situation to determine if a single agreement versus two separate agreements for a single involvement is the best choice. In evaluating each situation, the following are some of the factors to be considered:

- The funding for a Phase 4 Construction and a Phase 9 Capital Right of Way Utility Agreement is routed to different Accounting Departments.

- To prevent confusion by third parties, such as Utility Owners, Headquarters Accounting, and Resident Engineers as to Right of Way's internal funding process.
- Whether there is an increased overall efficiency of a single agreement as opposed to two separate agreements.

If the decision is to issue two separate utility agreements, each agreement should have a different Utility File number.

For Minor B Projects

- Use a Phase 5 Expense Authorization and process the same as a Phase 4.

13.07.05.00 Amendments to Utility Agreements

Whenever portions, but not all, of a Utility Agreement must be changed, the change shall be accomplished through an "Amendment to Utility Agreement" following the format shown in Exhibit 13-EX-24.

In most cases, Amended Utility Agreements are processed the same as Utility Agreements. However, Amendments that do not have a change in the dollar amount do not need to go to R/W Accounting.

13.07.05.01 Amendments for Payments in Excess of Original Utility Agreement

Normal State Controller procedures do not allow payments in excess of contractual amounts. The State Controller has granted an exception for Utility Agreements whereby they will process final payment requests for reimbursement of relocation costs not exceeding 125% of the estimated amount as stated in the original Utility Agreement.

The basis for this exception is the State has obligated itself to participate in the actual and necessary cost of State-ordered relocation of the Utility Owner's facilities at an estimated cost to the State. Since the cost amount shown in the Utility Agreement is an estimate and not a fixed contractual amount, the State Controller allows for reasonable adjustments to the estimate.

Amounts in excess of 125% of the original Utility Agreement estimate must be covered by an Amended Utility Agreement before payment is requested. In addition, before an Amended Utility Agreement or a bill exceeding 125% of the estimated amount in the original Utility Agreement can be processed, the Utility Coordinator must receive **and approve** written documentation of the reasons and identification of the basis for the increase. (See Section 13.07.03.04, Clause IV-3.)

Amended Utility Agreements are not required whenever the total billing is less than the original Utility Agreement amount except as described in Section 13.07.05.02.

NOTE: This section does not apply to lump-sum/flat-sum Utility Agreements.

13.07.05.02 Amendments for Change in Scope of Work

Any significant change to the originally planned and agreed-upon work must be covered by an Amended Utility Agreement, a Revised Notice to Owner (RW 13-4R), and a Supplemental FHWA Specific Authorization before work on the proposed changes commences. (See Sections 13.06.03.05 and 13.14.05.00.)

Preparing an Amended Utility Agreement and Revised Notice for a change in scope is necessary to:

- Comply with Federal requirements for preapproval of relocation plans.

- Provide for any needed change in the proration of liability.
- Provide for necessary modification to the previously ordered plan of relocation.

13.07.06.00 Special Utility Agreements

Occasionally, a Special Utility Agreement is needed for a variety of reasons, e.g., liability disputes, engineering or construction reimbursement for a project that has been canceled or delayed, or where a Utility Agreement does not exist. The “WHEREAS AND NOW THEREFORE” type of Utility Agreement is usually adaptable and is acceptable. A sample Special Utility Agreement is shown in Exhibit 13-EX-25.

13.07.06.01 Utility Agreement to Cover Advance Engineering Effort

Occasionally, an Owner will expend considerable engineering effort on a planned relocation long before the usual Utility Agreement is executed. Upon request, a Special Utility Agreement may be completed and used as a basis for reimbursing the Owner’s costs. The usual ROI is required to support the State’s liability to pay. Upon issuance of the Notice for actual physical relocation, the Special Utility Agreement should be amended to cover the remaining items pertinent to relocation work.

13.07.06.02 Utility Agreements With Oil Companies

The relocation of oil company facilities to accommodate construction has historically been done under the terms of a modified Utility Agreement even though oil companies are privately owned, are not a public utility, and are not under the PUC’s purview. Relocation is completed in the normal manner: preliminary letter, Report of Investigation, Notice, Utility Agreement and Joint Use Agreement, as required.

Special depreciation clauses are used in utility agreements with oil companies.

- No depreciation is required for a crossing relocation. The Utility Agreement should so state.
- The depreciation clause for longitudinal relocations is:

“State shall be entitled to a depreciation credit, based on the straight-line method and a total estimated service life of 40 years for the replaced facilities, such credit not to exceed 70% of the original installed cost of such facilities, unless owner shall claim no credit is due because the remaining service life of the replaced facility is as great as the anticipated service life of the replacement facility, and in support of such claim supplies:

- (a) proof of the remaining service life of the replaced facility, the sufficiency of which to substantiate such claim shall be determined in the sole discretion of State, and
- (b) a written certification by owner’s controller or chief accounting officer that it is not Owner’s normal accounting procedure to capitalize and depreciate portions of its facilities which are relocated, and that no part of the replacement facility will be capitalized and depreciated.”

Invoices for Utility Agreements covering longitudinal relocations that do not reflect a credit for depreciation must be accompanied by written certification of the oil company’s controller or chief accounting officer and by a statement signed by a State Engineer, that in the opinion of the Engineer:

- The remaining service life of the replaced facility is as great as the anticipated service life of the replacement facility, and
- The evidence submitted by the oil company (which must be described in the statement) fully supports the oil company’s claim to that effect.

NOTES:

13.08.00.00 - CERTIFICATION PHASE

13.08.01.00 General

Activities performed in this phase of the project generally consist of:

- Reviewing the PS&E.
- Ensuring the Owner is billed for work the State's contractor performs.
- Preparing the R/W Utilities Certification.

13.08.02.00 PS&E Review

The Project Engineer's PS&E is to be completed prior to R/W Certification. The Utility Coordinator is responsible for reviewing the PS&E to verify:

- Plans show all underground utility facilities remaining within the right of way limits of the project in accordance with Government Code Section 4215.
- Special provisions have been included concerning coordination requirements for all utility work that will be done in coordination with the State's contractor.
- Construction estimates (Basic Engineering Estimating System - BEES) include "Phase 4" utility relocation costs that will be used for billing purposes when the State's contractor performs work for the Owner and the Owner is responsible for the expense.

13.08.02.01 Work Performed by State Contractor

When the State's contractor performs the work for the Owner and the Owner is liable for all or a portion of the costs, the Utility Coordinator obtains funds from the Owner prior to award of the State's construction contract, using the following procedure:

- Obtain an estimate for the work from the PS&E or request an estimate from the Utility Owner after consulting with the Project Engineer.
- Prepare a Phase 4 Utility Agreement. (Refer to Sections 13.07.04.01 and 13.07.04.02.)

13.08.03.00 Right of Way Utilities Certification

The R/W Utilities Certification is a written statement to P&M summarizing the status of all utility facilities located within the limits of the proposed construction project. The certification identifies all utility facilities found to be within the project area and documents if they are impacted and, if so, whether they have been or will be relocated, removed, or protected as required for the construction, operation, and maintenance of the proposed project. R/W Utilities shall certify all projects where a PS&E is prepared, or federal funds are involved, prior to the district advertising and awarding a construction contract.

In accordance with 23 CFR 635.309(b), utility work should be accomplished during construction only when it is not feasible or practical to complete the work prior to construction due to economic or special coordination features. Utility work that cannot be completed in advance of construction contract award shall have special provisions in the standard specifications portion of the PS&E identifying the utility work and details of the coordination involved. All facilities not cleared from the project limits before construction commences shall be shown in the project plans to provide the necessary coordination. (Refer to Section 13.09.01.00.)

When the Utility Coordinator satisfies the utility requirements of the R/W Certification, e.g., “Status of Required Utility Relocations,” the project can be certified from a R/W Utilities standpoint. (Refer to Section 14.03.07.00.)

Where the State will do all or a portion of the utility relocation work under the highway contract on the Owner’s behalf, a Utility Agreement shall be executed before the project can be certified. This allows the State to do work on the Owner’s facilities and ensures Owner acceptance of the proposed plan of relocation. This work will be listed as a “Bid Item” on the Utilities Certification portion of the Right of Way Certification.

The Utility Coordinator shall update and recertify any certification of a project over one year old where the project has not been listed for advertising and any certified project where there was a subsequent design change.

Refer to Manual Chapter 14, Right of Way Certification, for further discussion on certifications and Exhibit 13-EX-26 for the suggested format of R/W Utilities Certification with instructions.

13.08.03.01 Utility Certification for Design/Build Projects

Until project design is completed, it is impossible to determine possible impact on utility facilities. A Utility Certification must be delayed, therefore, until design is completed, but before construction commences. (Refer to Section 14.01.11.00.)

13.09.00.00 - CONSTRUCTION PHASE

13.09.01.00 General

Utility Coordinator activities performed during the construction phase of the project generally consist of:

- Coordinating with Construction and Owner on compliance with Notice to Owner requirements.
- Handling utility relocations discovered during construction.
- Resolving utility relocation work that becomes wasted work.
- Monitoring district Construction review and documentation activities for State reimbursed utility relocation work.

By the time a project reaches the construction phase, the Utility Coordinator should already have sent copies of all Notices to Owner and approved relocation plans to Construction. Ideally, all utility relocation work will be finished before project construction commences. However, since this is not always possible, coordinated utility work may be necessary. Coordinated work must be addressed in the “Special Provisions/Obstructions” portion of State’s PS&E. (Refer to Section 13.03.04.06.)

13.09.01.01 Pre-Construction Notification/Meeting

Each Owner of impacted facilities remaining within the project construction limits shall be notified in writing of the bid opening date, the contract award date, and the name and address of the selected highway contractor. Arrangements should also be made for a joint field meeting of the Owner’s representatives, the project Resident Engineer, the utility inspector and the highway contractor to work out construction schedules.

13.09.01.02 Positive Location Work During Construction

Standard special provisions require the highway contractor to contact a regional notification center (Government Code Section 4216.2) before conducting any excavation on the project, as well as to exercise due diligence in working in areas of possible underground facilities. If the utility verification and positive location processes were properly completed during design, any additional positive location demands the State’s contractor places upon the Owner should be at the contractor’s sole expense. If additional positive location work was planned by the Utility Coordinator to be done during construction, this work should be included in the original Notice.

13.09.02.00 Inspection of Utility Relocation Work

The Utility Coordinator is responsible for ensuring that relocation and positive location work is inspected as required and that adequate records are maintained for State reimbursed work. The Utility Coordinator is responsible to notify district Construction of planned relocation and positive location work requiring inspection and the Resident Engineer is responsible for inspection of such work and maintaining diaries to document such work. (Refer to the Construction Manual, Section 3-809.) Inspection has three major objectives:

- Ensure Owner’s work complies with design, construction, and traffic requirements within, or in the vicinity of, the roadway.

- Ensure proper placement of utilities to clear project construction in accordance with the Notice to Owner, Encroachment Permit, and Utility Agreement.
- Observe and record the labor, equipment, and materials used to accomplish the work, as well as materials removed for salvage when any work is to be performed at State expense. By reviewing the inspector's diaries, the Utilities Coordinator can make a reasonable verification of the Owner's bills.

NOTE: Proper construction for utility companies regulated by the California Public Utilities Commission (CPUC) is controlled by PUC issued General Orders. Under no circumstances is the Utility Coordinator, the Project Engineer, or the Resident Engineer to review the engineering adequacy of utility facilities except for those features that may adversely affect highway integrity or safety.

13.09.03.00 Discovered Work and Emergencies

Discovered work includes additional unanticipated utility facility adjustments that are required as a result of newly identified facilities, incomplete or inaccurate verification of known facilities, or the discovery of previously unidentified project conflicts. Emergencies are usually a result of storm damage.

The Resident Engineer or Project Manager should immediately notify the Utility Coordinator who will notify the Owner, when determined, of the newly discovered conflict or emergency requirement. The Manager/Engineer should provide the location and type of the existing facility and immediately follow up in writing with a suggested plan for conflict resolution. Although the Manager/Engineer is normally already aware of this responsibility, the Utility Coordinator should request the Manager/Engineer to investigate other work that the State's highway contractor can do to avoid potential contractor delays.

The Utility Coordinator must expedite liability determination and preparation of a new or revised Notice to Owner and Utility Agreement along with any new Encroachment Permit required for the new work. If liability cannot be established and the work is to be accomplished with liability undetermined, the requirements of Section 13.04.08.00 et seq., must be followed. In addition, the Utility Coordinator must ensure that any additional or unanticipated utility work takes place within the original environmental "footprint" described in the environmental document. If environmental reevaluation in the new area is necessary, no work other than studies or positive location should proceed.

The District Utility Coordinator has authority to approve Notices issued with liability undetermined and can give verbal approval in pressing circumstances. In deciding whether to do so, the District Utility Coordinator should evaluate the following:

- Reason for special expedited authorization and consequences of delay.
- Name of the Owner of the facility.
- Verification that the Owner will accept liability undetermined.
- Type of facility.

- Best available cost estimate.
- Is the Owner listed on the Utility E-76?
- Identification of who will do the work. If the Owner's contractor is to do the work, indicate how the contractor was selected.

If conditions merit verbal approval, it must then be documented in the Utility File in a memo or a diary entry.

If federal aid funding is involved on the project, FHWA Specific Authorization must be prepared prior to authorizing the work. The Owner and type of utility must already be listed on the approved E-76 or the discovered work cannot be approved for Federal-aid reimbursement. (Refer to Section 13.14.05.00.)

After the District Utility Coordinator has provided verbal approval of liability and prepared FHWA Specific Authorization (as applicable) and the Owner has agreed to the scope of and liability for the work, the Utility Coordinator should verbally authorize commencement of relocation work to minimize contractor delays. A written Notice to Owner (Form RW 13-4) or Revised Notice to Owner (Form RW 13-4R) should immediately be sent to the Owner. Formal liability approval should be completed within 30 days following issuance of verbal authorization.

13.09.03.01 **Changes to Planned Relocation Work**

The Utility Coordinator must issue a Revised Notice to Owner (Form RW 13-4R) under the terms of the Utility Agreement when it is discovered that a planned relocation needs to be changed. The Owner must agree to/acknowledge the change as provided for on the Revised Notice Form. Work on the change may not be started until the Revised Notice has been agreed to/acknowledged by the Owner. Changes in the scope of the work will also require an amendment to the Utility Agreement.

13.09.04.00 **Wasted Work**

Wasted work occurs when the Owner has relocated their facilities in accordance with a Notice to Owner and the State subsequently determines that all or a portion of the newly relocated facility must be adjusted again to avoid conflict with planned construction. Some Master Contracts address wasted work relocations and payments on freeway projects.

The procedures for handling wasted work are similar to discovered work (refer to Section 13.09.03.00) except that the State is liable for the cost of all completed relocation work deemed to be wasted as a result of a change in construction plans. The Resident Engineer must verify the wasted work resulted from plan changes rather than improper contractor work procedures.

The Revised Notice to Owner shall identify what work in the original Notice was wasted and what new work is to be done. The Revised Notice must also state that liability for wasted work is State expense. Cost of all new work is based on liability as set forth in the current Agreement or as determined by usual liability procedures.

13.09.04.01 **Payment for Wasted Work**

The Owner is responsible to submit a bill identifying the wasted work. The Utility Coordinator is responsible for verifying the Owner's bill. (Refer to Section 13.10.00.00 for processing procedures.) Verifying the cost of wasted work may require the Utility Coordinator to review the bill in greater detail as the wasted work effort must be singled out from costs of other remaining work performed. State's costs for wasted work are not Federal-aid reimbursable.

13.09.04.02 **Payment for Betterment Portion of Wasted Work**

Normally, the Owner is responsible for all betterment costs except where the betterment is caused by or necessitated by the project. However, when Owner initiated betterment is considered "wasted work" due to a post-relocation construction change, the State is liable to pay for that portion of completed betterment work rendered wasted by the State's action. All reinstallation of the Owner initiated betterment following the change in construction plans shall be at the Owner's expense.

13.10.00.00 - PAYMENT PHASE

13.10.01.00 General

Activities performed during this phase generally consist of:

- Obtaining bills from Owners.
- Checking and verifying bills.
- Processing bills for payment.
- Verifying transactions entered into TRAMS.
- Billing or refunding local agencies pursuant to Cooperative Agreements.

13.10.02.00 Processing Bills From Owners

It is essential to the efficient operation of the State's transportation program that funds encumbered for Utility Agreements be paid as soon as possible. The Utility Agreement billing clause requires Owners to bill the State at least quarterly but not more than monthly, during relocation of their facilities. Immediately after completion of the Owner's work, for which reimbursement is due and a bill has not been received, the Utility Coordinator should make a written request to the Owner requesting submittal of the final bill within 90 days of the date of the letter.

The Utility Coordinator should follow up with a letter to the Owner every 60 days if the bill has not been received. This gives the State credibility if, after 360 days from completion of the Owner's work, the Utility Coordinator needs to initiate the audit process. Before initiating the audit, the Utility Coordinator must inform the Owner of the State's intention to close the file in 30 days and start the audit process.

13.10.02.01 Prompt Payment of Bills

The State's Prompt Payment Act requires that bills be paid within 45 days after the date specified in the contract; and if not specified, the date the invoice is stamped received by the Department. This includes the time for the invoice to be reviewed against inspector's diaries, preparation of the payment request package, transmittal to HQ Accounting, submission to State Controller's Office and processing of the check. If invoices are not paid within the required time frame, SCO will also pay late payment penalty funds to the Owner, which could be substantial. These penalty funds are not Federally reimbursable.

If, after review of the invoice, the Utility Coordinator has concerns or questions about the validity of any part of the invoice, the Utility Coordinator must send an official invoice dispute form back to the Owner (Form STD. 209). This has the effect of "resetting" the Prompt Payment Act "clock." The Utility Coordinator should monitor payment of received bills to ensure the applicable payment date is met.

13.10.02.02 **Review of Owner's Bill**

When the bill is received, the Utility Coordinator shall check to see if it is a partial or final bill. Since consistent format will facilitate review, the bill should be in a format similar to that used for the original estimate of cost (Exhibit 13-EX-27). The Utility Coordinator is responsible to check the bill for consistency with the Utility Agreement and the Owner's previously submitted and approved relocation plan and estimate of cost and to ensure credit for previously identified betterments has been received. The bill must be on the Owner's letterhead and signed by the appropriate Owner representative. All bills must be addressed to the Department of Transportation, or the Controller will not pay the bill, and must contain the Utility Agreement number. If the Owner's invoice does not contain the Utility Agreement number, the Coordinator must imprint the Utility Agreement number on the invoice or bill. When the Coordinator completes the Utility Payment Request (Form RW 13-6), the number(s) of the Owner's invoice(s) to be paid must be listed on the form. Coordination between Right of Way, Construction, and Accounting is essential to adequately verify the bill.

IRS requires that all payments to vendors be recorded under the recipient's Tax Identification Number (TIN). Accounting maintains a TIN file for all Owners with whom the State normally does business. If the TIN is not on file, Accounting will advise the Utility Coordinator. The Utility Coordinator then sends the Owner Form STD. 204, "Payee Data Record," for them to complete and sign, and forwards the completed form to Accounting.

13.10.02.03 **Bill Discrepancies**

If discrepancies are discovered in the Owner's bill, the Utility Coordinator must return the bill to the Owner within 15 days of receipt with a request for correction. The Utility Coordinator completes Form STD. 209 identifying the type of discrepancy or deficiency in the bill and sends the original bill with the completed form back to the Owner. The Utility Coordinator must keep a copy of the bill and the form in the Utility File for documentation.

If the Owner's response is not acceptable, the Utility Coordinator should forward the bill to HQ R/W with a request for Audits' assistance. However, it is important for the Utility Coordinator to make every effort to resolve discrepancies before requesting Audits' help.

Some of the more usual discrepancies include:

- Failure to provide credits for betterments, salvage, or depreciation associated with the relocated facilities (see Section 13.04.05.06).
- Interest beyond the date the utility facility is put back into service (Section 13.04.07.01).
- Partial/progress billings that exceed the Agreement amount (see following sections).

13.10.02.04 **Partial Billings**

Partial bills are usually paid routinely, if the total of the partial bills does not exceed the amount encumbered under the Utility Agreement. A review of partial bills is essential where the State is due an unusually large credit, e.g., large betterments, or where billing exceeds work actually completed. The procedure for payment is the same as for final bills as described in Steps 5-10 in Table 13.10-1, "Processing Final Bills."

13.10.02.05 **Payment for Engineering Effort**

Occasionally, an Owner will expend considerable engineering effort for a required relocation in advance of executing the Utility Agreement. If the Owner requests to be paid for these efforts as they progress, a separate Utility Agreement must be entered into to cover this portion of the overall relocation. This payment is sometimes referred to as a progress payment and is processed the same as for a partial billing.

13.10.02.06 **Final Bills**

The process for paying final bills is shown on Table 13.10-1, "Processing Final Bills." Final bills must contain detailed charges in a format similar to that in the original estimate and must contain all information listed in Section 13.10.02.02. (If partial bills contained detailed charges, the details in the final bill could cover only the final portion of work.) The final bill must also contain the "start date" of the physical relocation work. The Utility Coordinator must check the start date against the FHWA Specific Authorization date, if applicable, to ensure proper Federal reimbursement. Based on an agreement with the State Controller's Office, payment of a final bill may be made up to 125% of the Utility Agreement amount without an amendment.

13.10.02.07 **Payment Request Form**

Payments for both partial and final bills are requested on the Utility Payment Request, Form RW 13-6. The form is fairly self-explanatory. However, the Utility Coordinator must take special care when more complex relocations are being handled. If there are costs that are not Federally reimbursable, these costs must be separated out and coded appropriately. Costs of this type most often include wasted work, discovered work, spare duct charges, costs incurred prior to Federal authorization and interest during construction.

In the case of an advance of funds to the Owner, the advance payment request is originally coded with an "FAE" code of "8" to suspend the funds. As invoices are received for actual work completed, even though no actual "payment" occurs, the Utility Coordinator must process the RW 13-6 and note in the "Other" category that the request is to "transfer" funds from FAE 8 to FAE 6 (federally reimbursable) or FAE 7 (State only funds).

13.10.02.08 **Audit of Owner's Bill**

Once all payments have been made and any JUA/CCUA/Director's Deeds have been processed, the Utility Coordinator must send a request to Audits for a post audit. Audits will issue an Audit Report identifying any discrepancies discovered during the audit. For money due the State on final bills, Audits sends the Audit Report to the Utility Coordinator with instructions to initiate billing the Owner for reimbursement of the discrepancy amount cited. Usually, the auditor will have reached an agreement with the Owner on any identified discrepancies. If the auditor cannot resolve the discrepancy with the Owner, the auditor notifies the District Utility Coordinator, who shall take necessary steps to resolve it.

13.10.03.00 **Advance Payments to Owners**

If the Owner does not have sufficient funds available to proceed with the relocation of their facilities, the State may choose to advance the State's portion of the relocation costs. The Utility Coordinator may advance up to 90% of the State's total portion (to allow for credits for salvage, depreciation, etc.). Once the Utility Coordinator receives an executed Utility Agreement and the Owner's bill for the advance, the Utility Coordinator shall process a Request for Payment (Form RW 13-6) within 45 days. The funds advanced by the State must be deposited into a separate interest-bearing account or trust fund in a California state or national bank. (See California Government Code Section 53630, et seq.) Any interest earned on the funds must be credited to the State. [See Section 13.07.03.04 (IV-4) for specific clauses relating to advance payments to Owner.]

If the actual and necessary relocation costs are less than the amount advanced, the Owner must refund the overpayment. If the actual and necessary relocation costs are more than the amount advanced, the Owner must process a final bill and the payment will be processed as in Table 13.10-1.

NOTE: No funds are to be advanced to cover Owner betterments.

13.10.03.01 **Loan to Owner**

If the Owner recognizes their obligation to relocate their facility at the Owner's cost, but does not have sufficient funds available to proceed with the relocation, the State may agree to advance the funds to the Owner in accordance with S&H Code Section 706. Once the Utility Coordinator receives an executed Utility Agreement and the Owner's bill for the advance, the Utility Coordinator shall process the payment within 45 days. The Owner must pay interest on the funds advanced by the State at the rate of earnings of the Surplus Money Investment Fund and the funds must be repaid within 10 years. (See Section 13.07.03.04 IV-4 for specific Utility Agreement clause.)

NOTE: See <http://www.sco.ca.gov/ard/surplus/smifrate.pdf> for the Surplus Money Investment Fund rate chart.

13.10.04.00 **Verification of Transactions**

The Utility Coordinator is responsible to review the R/W Accounting 1A Report to ensure all codes and amounts for each transaction were correctly entered into TRAMS. The 1A Report lists all transactions entered into TRAMS for the previous week. R/W Accounting sends the 1A report electronically to P&M every Monday, and P&M shall make a copy of the pertinent page of the weekly 1A report to the Utility Coordinator for review.

Table 13.10-1

PROCESSING FINAL BILLS (Section 13.10.03.00)		
Step	Responsible Party	Action
1	Utility Coordinator	Review the bill against the Utility Agreement (UA), the Owner's approved relocation plans, and the Owner's estimate of cost. Ensure that the Owner has submitted the required notice of completion.
2		Check total cost billed to State against amount encumbered by the UA. If final bill exceeds encumbrance by more than 25%, an amended UA must be processed before payment is requested (see Section 13.07.05.00).
3		Send a copy of the bill to Construction requesting them to review the bill and return it with a copy of the utility inspector's daily diary pursuant to the Construction Manual, Chapter 3, Section 3-809, General Provisions.
4		Review the bill against the inspector's diary, paying particular attention to items of credit to which the State is entitled. Credits for betterment, salvage, and depreciation are to be checked to ensure that they appear reasonable in the bill. Audits makes a final determination of the accuracy (see Section 13.04.05.06).
5		Prepare the Utility Payment Request (RW 13-6). Refer to Section 13.14.00.00 for federal aid procedures.
6		Prepare the Checklist for Final Utility Invoice (RW 13-7).
7		Send the original invoice, the Utility Payment Request (RW 13-6), and a copy of the UA signature page to HQ Accounting.
8	Region/District P&M	Complete unshaded coding boxes on the Utility Payment Request (RW 13-6). Route package to R/W Accounting for payment.
9	R/W Accounting	Schedule the bill for payment through the State Controller. (Check is mailed directly to Owner.)
10	Utility Coordinator	Verify the transaction against the following week's 1A report, electronically issued by R/W Accounting and forwarded by Region/District P&M.
11	Utility Coordinator	Send the following package to Audits for review. Copies of: <ul style="list-style-type: none"> • Final billing invoice and RW 13-6. (Include partial billings and related RW 13-6s if they contain details of the charges.) • Executed Utility Agreement, with amendments if applicable. • Notice to Owner, with Revised Notices to Owner if applicable. • Approved E-76, if applicable. • R/W Accounting's weekly 1A report(s). • Identification of specific concerns in need of Audit review.
12	Audits	Perform an audit of the Owner's bill and prepare the Audit Report, requesting that District R/W initiate the process to collect funds from the owner or recommending that District R/W close the file.
13	Utility Coordinator	If funds are to be collected from the Owner, prepare an Accounts Receivable memorandum requesting preparation of a bill. A copy of the Audit Report must be included with the memorandum for forwarding to the Owner with the bill. Forward both documents to Accounting - Accounts Receivable.
14		If a Cooperative Agreement with an LPA involves cost sharing, ensure the LPA is billed (or refunded) for their share of relocation costs for all owners. See Section 13.12.00.00 for procedures in dealing with Cooperative Agreement projects.

NOTES:

13.12.00.00 - LOCAL PUBLIC AGENCY PROJECTS

13.12.01.00 General

This section covers oversight requirements for utility involvements on the following three types of projects:

- Local Public Agency (LPA) Funded State Highway Projects.
- Federal Aid Local Streets and Roads Projects.
- Private Developer Funded State Highway Improvement Projects.

This section also covers review of Cooperative Agreements.

13.12.02.00 Locally Funded State Highway Projects

Locally funded State highway projects are those projects on the State highway system that are locally sponsored through use of LPA and/or private funding. They typically are not CTC initiated STIP projects, but are included in the STIP for project identification and approval. These projects do not include federal aided local projects that are included in the Local Streets and Roads Program. The more common types of Special Funded projects are:

- Tax Measure Projects
- “\$1” Projects
- Interchange Cost Sharing Projects
- Cooperative State/Local Projects
- Toll Road Projects

13.12.02.01 Oversight of Locally Funded State Highway Projects

The Utility Coordinator provides oversight on locally funded State Highway projects. Oversight includes the activity of monitoring as well as the effort of assisting, guiding, and advising the LPA to ensure that all utility adjustments and encroachments are accomplished in accordance with the Department’s policies, procedures, standards, practices, statutes, contracts, and agreements. Within this context, use of State mandated forms shall be required of all LPAs and/or their consultants.

Where protection, relocation, or removal of facilities is required, the work shall be performed and liability determined in accordance with:

- State law, policy, procedure, contracts, and agreements for those facilities located within the project limits providing improvements to the State highway.
- Local agency policy and procedures for those facilities located outside the project limits of the State highway.

This requires the local agency to adhere to all requirements of the State’s Master Contracts for work related to the State freeway portion of the locally funded project.

The S&H Code authorizes the State to issue Notices for ordered relocations on the State highway system. This authorization can be specifically delegated to an LPA. If the impacted Owner of facilities refuses to accept an LPA issued Notice, the Utility Coordinator may issue the Notice after appropriate review.

13.12.02.02 **Use of Scopes of Work**

To ensure the State's policies and practices are followed whenever work is performed by consultants on State highways, work products and services should be performed as described in Exhibit 13-EX-28, Utilities Scope of Work (SOW). The recommended SOW establishes requirements necessary for consultants to complete the required service or product and establishes minimum acceptable standards. To ensure minimum standards are followed, districts shall monitor LPAs in accordance with procedures outlined in the Local Programs Chapter of this manual. As stated therein, district functional units have responsibility to provide input, review, supervision, and contract administration.

13.12.02.03 **Use of State Forms**

The Department's standard forms shall be used as a consistent approach with all Owners in the utility relocation process. In addition, Owners have become familiar with the forms and understand and accept their usage. It is mandatory, therefore, that all outside entities performing work on State highways use these standard forms.

For local streets and roads projects, the Forms and Exhibits are intended to be guides and may be used by the LPA as desired. Approved local forms are available in Chapter 14 of the Local Assistance Procedures Manual.

13.12.02.04 **Project Completion**

The LPA shall transfer all project and utility files to the Utility Coordinator upon completion of their work or their consultant's work and not later than overall completion of the construction project. The information in the files should include at a minimum:

- Completed Utility Diary.
- All correspondence between the LPA, Owners, design engineers, consultants, and the State.
- All documents executed between the LPA, Owners, design engineers, consultants, and the State.
- All project design plans and survey data.
- Utility facility As-Builts, where available.

All files are to be in a neat and orderly condition upon the Utility Coordinator's acceptance.

13.12.03.00 **Federal Aid Local Streets and Roads Projects**

FHWA places overall responsibility on the State for all right of way work performed on federal aid projects. Federal regulations allow the State to use an LPA for R/W work performed. The State must monitor the LPA's activity for compliance with State and federal laws and regulations. In addition, the State is responsible to fully inform LPAs of their responsibilities in connection with federal aid projects. The State must ensure every LPA receives all current regulations and procedural instructions affecting R/W activity and must provide guidance and advice on R/W matters. Each district should have a R/W LPA Coordinator or a Utility Coordinator who is responsible for liaison and consultation with the LPA and for providing the FHWA Specific Authorization on R/W Utility matters on behalf of FHWA. See the Local Programs Chapter of this Manual for procedures on dealing with local streets and roads projects.

13.12.03.01 **Review Procedures**

Most utility facilities within local streets and roads are located under a franchise agreement that requires all facility adjustments caused by the project to be accomplished at the Owner's expense. As a result, there are limited utility relocation costs to be reimbursed, and FHWA's primary concern lies with ensuring that required utility adjustments are properly planned and coordinated with construction. This requires timely issuance of a Notice that clearly states how the utilities will be adjusted to allow conflict-free construction.

If the Owner possesses a right superior or prior to that of the LPA, the normal rules of liability determination with appropriate agreements and audits shall apply. (See Section 13.04.00.00.)

The Utility Coordinator is responsible to perform a full review of the LPA utility reimbursement in the same manner as the District Utility Reviewer now uses on district federal-aid projects.

13.12.04.00 **Private Developer Funded State Highway Improvement Projects**

The Utility Coordinator's responsibility for private developer funded State Highway Improvement Projects is to ensure standard clauses are used in the Highway Improvement Agreement and to review and recommend approval of the developer's Encroachment Permit application.

This type of project uses the State's Encroachment Permit for projects under \$1 million and the Highway Improvement Agreement on permit projects of \$1 million or more that are funded entirely from private sources. These Highway Improvement Agreements are similar to Cooperative Agreements in form, context, and legal commitment. District Encroachment Permits initiates the Agreements with input from R/W. For standard clauses to be used in the Highway Improvement Agreement, see the Local Programs Chapter of this Manual.

Often, these projects require the developer to acquire additional right of way that is subsequently conveyed to the State to become part of the State highway system. For this reason, it is important that the Utility Coordinator ensures that all utility adjustments meet the State's requirements.

Since no governmental funding is involved in these projects, the Federal Uniform Act and the State Eminent Domain Law do not apply to any private-developer-initiated and privately funded project. In accordance with statutory and judicial law, the developer shall pay for all utility adjustments required to accommodate a private-developer-sponsored project.

13.12.05.00 **Cooperative Agreement Reviews**

Project Development, Traffic, etc., may enter into Cooperative Agreements with LPAs for a variety of projects, and these Cooperative Agreements must circulate through R/W Utilities for review and comment. Cooperative projects often involve cost sharing that benefits both parties. The Utility Coordinator must review each Cooperative Agreement for disposition of utility relocations. Some critical items to be covered are:

- The terms of the Cooperative Agreement shall establish the LPA's responsibility for the cost of protection, relocation, or removal of utility facilities located within the State highway right of way. Only those facilities that meet State's encroachment policy shall be allowed to remain.
- The LPA responsible for project design shall assume responsibility for identification and location of all utility facilities within the area of project construction and shall assume responsibility for payment of identification and location costs pursuant to applicable Positive Location Agreements with Utility Owners. All utility facilities not relocated or removed in advance of construction shall be identified on the project plans and specifications.

- All underground high and low risk utility facilities shall be handled in accordance with the State's "Policy on High and Low Risk Underground Facilities Within Highway Rights of Way." (See Exhibit 13-EX-3.)
- HQ Legal has determined that a specific delegation must be made to the LPA in order to authorize them to execute the Notice to Owner. In the absence of the delegation, the Utility Coordinator must execute it. The benefit to the district of retaining execution authority is that this facilitates the oversight process.

For standard clauses to be used for Cooperative Agreements, see the Local Programs Chapter of this Manual.

13.12.05.01 **Work Under Cooperative Agreement**

When reviewing the Cooperative Agreement for right of way activities, regardless if the LPA or the State performs the work, all Federal and State laws and regulations, policies, practices, agreements, and procedures shall be followed. If the State performs the work, the LPA shall be advised immediately of any cost changes that may be significantly higher than earlier project estimates or result from amended Utility Agreements.

13.12.05.02 **Cooperative Agreement Billings**

When utility relocation cost sharing is involved, the Utility Coordinator shall take steps necessary to ensure the LPA is billed for their share of the estimated costs, as stipulated in the Cooperative Agreement. The LPA shall be billed when all known relocations have been determined, but prior to R/W Certification. The State must receive all funds for the LPA's share of the estimated relocation costs prior to award of the State's construction contract.

Procedures for billing LPAs are as follows:

- Determine the estimate of cost for utility relocation work.
- Send a memorandum to Accounting requesting billing of the LPA. (13-EX-30)
- Retain a copy of the memorandum in the R/W Utility File.

13.12.05.03 **Cooperative Agreement Final Bills**

The Utility Coordinator is responsible to ensure that LPAs are billed for their share of utility relocation costs pursuant to the Cooperative Agreement. A final accounting should take place as soon as all relocations are complete and all costs have been determined. The LPA's share shall be calculated from the final billings obtained from the Owners. If the LPA owes more than the amount previously billed, the LPA shall be billed the difference. If the LPA was overbilled, the LPA shall be refunded the difference immediately.

The Utility Coordinator shall send a memorandum to Accounting requesting billing or refund. The memorandum to Accounting must show previous amounts billed and collected.

13.13.00.00 - NON-PROJECT RELATED RESPONSIBILITIES

13.13.01.00 **General**

The Utility Coordinator is responsible for taking appropriate action on policies emanating from within Right of Way and other Department programs, offices, and branches that involve utilities.

13.13.02.00 **Excess Land**

The purpose of the R/W Utilities review of a proposed excess land sale is to identify utility easements that should be conveyed or reserved prior to sale. The review should include the steps in Table 13.13-1 entitled "Excess Land Review."

Table 13.13-1

EXCESS LAND REVIEW	
Step	Action
1	Identify and complete easement obligations still outstanding as a condition of a relocation.
2	Identify easements for future relocation needs for projects in the current STIP.
3	Identify existing facilities on the property where the Owner may need to acquire an easement from the State.
4	Transmit a copy of the excess land property map to the potentially affected Owners asking for: <ul style="list-style-type: none">• Identification of facilities on the property.• Size and type of facility on property.• Owner's rights of occupancy on the property.• Owner's interest in purchasing property rights from the State.• Owner's response within 30 days.
5	Review Owner's response and provide Excess Land with the findings: <ul style="list-style-type: none">• If no obligations are pending, return to Excess Land with "No objections to sale."• If the State's obligations are still pending, request Excess Land to prepare and issue a Director's Easement Deed (DED) to the Owner or to insert a clause in the deed of the property to be sold reserving an easement to the Owner. The Utility Coordinator must provide Excess Land with a plan showing the easement width, location with ties, size and/or type of facility to occupy the easement, and a copy of the Utility Agreement containing the State's obligation for the DED or reservation, as appropriate.• If the Owner wishes to acquire property rights, the Utility Coordinator should furnish Excess Land with the information listed above.• If the Utility Owner does not have a vested or prior right, the Excess Land Agent will request an appraisal and offer the Utility Owner the opportunity to purchase an easement for their facility. The easement reservation will be done in the same manner as shown above.• If the Utility Owner does not wish to purchase the easement, the Excess Land Agent will request the Utility Owner to relocate their facilities outside the surplus parcel.
6	The Utility Coordinator should retain a copy of all correspondence and deeds in the R/W Utility File.

13.13.03.00 **Vacations and Relinquishments**

- **Vacation** - A vacation is CTC action by which the public right of use is removed from a State highway right of way. Whenever utility facilities are within the area to be vacated, the district advises the Owners and determines whether they wish utility reservations as provided in S&H Code Sections 8340 and 8341. The Utility Coordinator must establish a procedure with the District's R/W Engineer to ensure that right of way on which utilities are located is not vacated without appropriate reservations or a JUA/CCUA. Prior rights are not necessary: if the owner requests a reservation, it shall be provided.
- **Relinquishments** - The Utility Coordinator is responsible to review any area to be relinquished and determine if all JUA/CCUAs have been issued to the Owners. The Utility Coordinator shall make arrangements to be notified of all proposed relinquishments and shall check R/W Utility files for outstanding JUA/CCUAs. If any are incomplete, the Utility Coordinator must complete them prior to relinquishment.

13.13.04.00 **Airspace Leases**

Airspace leases may require investigation prior to execution of the lease. Both parties to the lease should be aware of existing utility facilities and the liability for relocation if necessary. The Utility Coordinator will not initiate action on airspace leases until requested.

13.13.04.01 **Airspace Lease Not Allowed for Utility Facilities**

Since State franchise laws do not allow the renting of freeway airspace for utility facility use, all utility use of freeways is covered by Encroachment Permit rules and regulations only.

13.13.05.00 **Encroachment Permits**

All utility facilities must be installed in accordance with the Department's "Encroachment Permits Manual." Facilities shall be installed in accordance with PUC General Orders 95, 112-D, 128, and others, if the Utility Owner is regulated by the CPUC, as may be applicable, in a manner that does not impede the maintenance and integrity of the highway. Facilities shall be installed as close as possible to the highway right of way line, and utility construction activities shall be performed in accordance with prescribed Encroachment Permit requirements.

Longitudinal utility placements shall be located as near the highway right of way line as possible. The Owner shall design the utility placement so as to eliminate or minimize installation of appurtenant facilities such as, but not limited to, stub poles, anchors, and down guys, which are placed closer to the traveled way than the facilities they support. Underground facilities shall be installed in compliance with PUC General Order Nos. 112-D and 128, if a CPUC regulated company, and in accordance with the Department's "Policy on High and Low Risk Underground Facilities Within Highway Rights of Way" (Exhibit 13-EX-3) and the Department's "Encroachment Permits Manual."

Owners are entitled to an Encroachment Permit for such reasonable crossings of any freeway as may be required for proper discharge of the Owner's service to the public. Law provides that reasonable discretion must be exercised in acting on applications from Owners for permits to occupy freeways. Interests of both the traveling public and the consumers of public utility services must be considered.

13.13.05.01 Review of Encroachment Permits

Utility Coordinators are to review all utility Encroachment Permit applications. These applications should be logged in and out by date and number since definite time limits for review and issuance of permits have been established by law.

- **Encroachment Permits** - Master Contracts between the State and some Owners contain conditions providing that when an Owner initially installs new facilities within the right of way of an existing freeway or frontage road by encroachment permit, the owner will pay in its entirety that portion of the cost associated with any future rearrangements of the facilities. These contracts further provide that where the facilities are initially installed before the highway became a freeway, the cost for rearrangement shall be shared. Any betterment, such as an expansion of capacity, installed following designation of the highway as a freeway shall be covered by an encroachment permit, and that portion of the relocation costs associated with the betterment shall be the Owner's liability. Whenever new facilities are installed in an Owner's prior right area and are installed consistent with the granting document, whether installed before or after the freeway designation, subsequent relocation costs shall be the State's liability.

Note: The Utility Coordinator may encounter some encroachment permits which are stamped "Freeway Permits." Disregard the stamp and handle as an encroachment permit.

- **For Record Purposes Only Permits** - In those cases where the Owner has, or is entitled to, a JUA/CCUA, the Encroachment Permit shall be stamped or typed with the words, "FOR RECORD PURPOSES ONLY." Care must be exercised to determine that the use proposed by the Owner granted in the JUA/CCUA does not exceed the rights granted in the Owner's original document.

Example 1: The Owner proposes to install a "buried telephone cable" within the JUA/CCUA area that is limited to "four circuits of open wire;" the permit would not be stamped "Freeway Permit" as the new buried cable is not consistent with the rights covered in the JUA/CCUA.

Example 2: The Owner proposes to install larger conductors going from "60KV" to "115KV" and the JUA/CCUA is for the "transmission of electrical energy;" the permit would be stamped "FOR RECORD PURPOSES ONLY" as the new 115KV conductors are consistent with the rights covered under the JUA/CCUA.

- **Permits for New Longitudinally Installed Facilities Within Freeways** - The statutory right conferred by S&H Code Section 703 for publicly owned sewers, fire hydrants, and streetlights can be waived under the provisions of Civil Code Section 3513. The following provision should be included in all Encroachment Permits issued for new longitudinal encroachments of this type to be installed in an existing freeway:

"(Name of persons or entity waiving right), with full knowledge of the provisions and its rights thereunder, expressly waives all right whatsoever under Section 703 of the Streets and Highways Code, which provides that publicly owned sewers in any freeway shall be relocated when necessary at the expense of the Department."

13.13.06.00 **Utility Franchise Reviews**

Pursuant to S&H Code Section 682, all cities and counties have the right to grant franchises within the right of way of a conventional State highway subject to the conditions and limitations provided in Sections 682 through 695. The district shall take steps to establish liaison with all city councils and county boards of supervisors within the district so the district will receive notice of all pending applications for utility franchises coming before each city council and county board of supervisors. It is the district's responsibility to determine whether the requested franchise will affect any existing or contemplated State highway or freeway.

13.13.06.01 **District Review of Franchise Applications**

If the requested franchise is to be situated in or serve in an area in which there are no State highways or freeways, whether existing or contemplated, the district shall, without referral to Headquarters R/W, advise the city or county that the Department has no objection to granting the requested franchise. The district, in each case, shall forward a copy of the related correspondence to Headquarters R/W.

13.13.06.02 **Headquarters R/W Review of Franchise Applications**

Where the requested franchise is to be situated in or serve an area in which State highways or freeways are located or contemplated, the franchise shall be submitted for Headquarters R/W and Legal review. The district must furnish the following information along with the proposed franchise:

- The name of the Utility Owner requesting the franchise.
- A copy of the proposed franchise and applicable ordinance.
- The date of the public hearing.

Initially, Headquarters R/W will communicate directly with local representatives of the governmental unit concerned. Copies of correspondence will be sent to the affected district. Headquarters R/W will advise the district, in writing, of action or disposition to be taken. The district will then handle the matter on the local level with the municipality.

13.14.00.00 - FEDERAL AID PROCEDURES

13.14.01.00 General

Utility relocations on projects with federal participation are generally processed in the same manner and with the same forms as State-only financed projects. The only difference is that FHWA Authorization to Proceed (E-76) and FHWA Specific Authorization (Form RW 13-15) must both be obtained before commencement of any work to qualify for FHWA reimbursement of relocation costs.

It is not intended that this section cover all the detailed requirements for Federal-aid reimbursement of State costs. The Utility Coordinator should review the Code of Federal Regulations (CFR), in particular 23 CFR 645 and the additional instructions contained in FHWA's "Program Guide Utility Relocation and Accommodation on Federal-Aid Highway Projects" at: <http://www.fhwa.dot.gov/reports/utilguid/index.htm>.

13.14.02.00 FHWA Alternate Procedure

In accordance with 23 CFR 645.119, the State has been granted authority under the Alternate Procedure process to act in the relative position of FHWA for reviewing and approving arrangements, fees, estimates, plans, agreements, and other related matters required by the CFR as prerequisites for authorizing a utility to proceed with and complete the work.

The State must obtain Federal Authorization to Proceed (E-76) for the project authorizing the use of the Alternate Procedure and listing every utility company for which Federal-aid reimbursement will be sought, with an estimate of the cost of the relocation, before the State may issue a Specific Authorization under the Alternate Procedure process.

Issuance of FHWA Specific Authorization has been delegated to the Regions/Districts except those listed in the following manual section (refer to Section 13.01.02.01).

13.14.02.01 Nondelegated Relocations

In accordance with 23 CFR 645(b), the FHWA retains approval of relocations under the following four circumstances:

- Utility relocations and adjustments of major transfer, production, and storage facilities such as generating plants, power feed stations, pumping stations, and reservoirs.
- Advance installation of new utility facilities, within the proposed right of way prior to the right of way being purchased or under the State's control to provide for installation of the new facilities in a manner that will meet requirements of the planned project.
- Utility relocations entirely or partly on right of way FHWA has authorized for acquisition under the hardship and protection provisions of 23 CFR 712.
- Utility relocations when the State and the Owner cannot reach agreement on their separate responsibilities.

Approval of these items must be requested directly from the FHWA through HQ R/W. See Section 13.14.07.00 below.

13.14.03.00 **Federal Authorization to Proceed (E-76)**

FHWA authorization to proceed with utility relocation work must be obtained prior to requesting the Owner to prepare a relocation plan and estimate for all projects proposed for Federal-aid reimbursement. Authorization is obtained by submittal and approval of Form E-76. P&M normally processes all E-76s, but the Utility Coordinator is responsible to provide accurate utility information and ensure the Alternate Procedure is requested.

FHWA must authorize the State to proceed with utility relocations on a project-by-project/owner-by-owner basis before a Specific Authorization to relocate any Owner's facilities may be issued. Any facility relocation or acquisition of replacement right of way the Owner does prior to approval is not Federal-aid reimbursable.

13.14.04.00 **FHWA Specific Authorization to Proceed**

The Specific Authorization must be issued before any physical relocation work is commenced or Owner-contracted engineering services are authorized. The Specific Authorization (Form RW 13-15) affirms the need for relocation is justified, liability for the cost is proper, and the Owner's plans and estimate are reasonable for accomplishing the necessary relocation.

When the utility relocation work is to be performed by our highway contractor, and is part of the PS&E, the "RELOCATION COST ESTIMATE" item in the FHWA Specific Authorization (Form RW 13-15) must include a line for Phase 4 (Construction Funding) and show the amount authorized.

The following statement must be added to the "Remarks" section of the Specific Authorization:

"The proposed adjustment of utility facilities to be performed by the highway contractor is approved. Payment for the utility adjustment will be vouchered through the construction program, therefore, the authorization date for this work will be the date that FHWA approves the construction project.

"This memorandum must be attached to the District Certification."

13.14.05.00 **Changes After FHWA Specific Authorization Is Issued**

Major changes, such as changing from Owner-accomplished work to Owner-contracted-out work, or additional work not shown on the original authorization, will require a supplemental authorization in the same form as the original request (Form RW 13-15). Major changes or additions are not eligible for Federal-aid reimbursement unless authorized.

Minor changes, additions, and deletions do not need supplemental approval; however, to be included under the original authorization, they must be documented by memorandum in the Utility File. The documentation must include a description of the change and revised maps and estimates. Refer to Section 13.06.03.05 - Revised Notices.

See Section 13.09.03.00 for discovered work and emergencies.

13.14.06.00 **FHWA Approval of Nondelegated Relocations**

Headquarters R/W obtains FHWA approval of nondelegated relocations (see Section 13.14.02.00) via transmittal of the ROI package, with attachments, to FHWA. The district is advised of approval of the nondelegated relocations by an endorsement on the FHWA Specific Authorization. Any exception to approval is noted in the Specific Authorization, and the district is required to adhere to all exceptions.

13.14.07.00 **FHWA Approval of Utility Agreements**

Utility Agreements on Federal-aid projects also require FHWA's approval. Upon execution of the Agreement by the Owner and the Region/District, the Utility Reviewer prepares and approves the FHWA Approval of Utility Agreement (Form RW 13-15) on FHWA's behalf.

13.14.08.00 **Special Federal Reimbursement Procedures**

Department procedures have been designed to provide a uniform approach to all transactions regardless of whether or not there is federal funding in the project. This reduces procedural complexity and ensures a more consistent process with Owners. Special rules affect Federal-aid reimbursement and approval requirements and the Utility Coordinator must be aware of these to minimize loss of federal funds where applicable.

13.14.08.01 **Nonreimbursable Costs**

Federal reimbursement of State costs is limited to the more restrictive requirement of either State law or Federal regulation. If State law, e.g., payment of interest, is more liberal, reimbursement is limited to the Federal standard. If State law, e.g., required depreciation credits (see 13.04.05.06), is stricter, State rules must be followed. Each element of cost or credit must be individually reviewed and decided. Fortunately, there are only a couple of items, as discussed below, where the Federal rule is more restrictive and therefore controlling for reimbursement.

- **Interest During Construction** - FHWA regulations prohibit payment of interest on funds used during construction or borrowed by the Owner (a.k.a. AFUDC). State law recognizes interest during construction as a valid charge to the job, with some restrictions. Interest during construction shall be deleted from the voucher for FHWA reimbursement (coded as nonreimbursable). Audits will make the final determination of acceptability on the audit certificate.
- **Additional Ducts** - There is a Statewide understanding with telephone Owners to allow spare ducts under certain conditions (see Section 13.04.07.09). FHWA will reimburse only for the number of ducts required to convert existing aerial facilities to underground facilities, plus one spare duct. The cost of nonparticipating ducts must be set out in the billing, with final cost determination identified during the audit process and excluded in the Federal voucher.

13.14.08.02 **Nonreimbursable Costs - Work Completed Prior to Authorization**

The following are ineligible for Federal-aid reimbursement:

- All costs incurred prior to FHWA Authorization to Proceed (approved E-76).
- Utility relocation engineering done by a consulting engineer completed in advance of FHWA Specific Authorization.
- Relocation work done by newly identified Owners covered by Notices issued subsequent to the R/W Certification date.

13.14.08.03 **Service Disconnects and Removals**

Ordered utility service disconnects and removal of meters and meter set assemblies should be handled as right of way clearance items as this qualifies the associated costs for Federal-aid reimbursement. Payments to Owners should be coded with the appropriate object code for a federal-aid reimbursable demolition or clearance cost.

Federal regulations prohibit reimbursement for the cost of removing facilities under normal utility relocations unless salvage credits are received by FHWA for the removed facilities (see Section 13.04.07.09).

13.14.08.04 **Owner Retention of Records**

Section 23 CFR 645.117(i)(3) requires that the Owner retain all records and accounts relating to reimbursed relocation costs for a period of three years from date of final payment to Owner. This requirement exists for State-only funded projects as well.

13.14.09.00 **Owner's Consulting Engineer Agreements**

The Owner's employees normally do utility relocation engineering. When a Utility Owner is not adequately staffed to pursue the necessary preliminary engineering work for the utility relocation, a consultant may perform the required engineering if the Owner and the consultant agree in writing on the services to be provided and the fees and arrangements for the services, and if the fees charged are not based on a percentage of the cost of relocation.

When a consultant is used to provide relocation engineering services, the district ensures the Owner's consultant contract is administered in accordance with 23 CFR 172 and 48 CFR 31. The consultant selection process should closely follow the State's own consulting engineer selection process.

The Owner's continuing contractor may be used where the district has determined it is cost effective to do so and verified that the contract between the Owner and the contractor is in writing and that similar work is regularly performed for the Owner under the contract at reasonable costs.

If the amount to be paid under the consultant agreement exceeds \$100,000, the agreement must be submitted to Audits for preaward evaluation.

All consultant agreements should:

- identify the maximum fee to be paid under the agreement,
- include a fee schedule,
- provide for inspection by the State of all books and records,
- require the three-year retention of those books and records,
- contain a description of the work to be performed, and
- include the following clause:

“The Contractor agrees that the Contract Cost Principles and Procedures, 48 Code of Federal Regulations, Chapter 1, Part 31 shall be used to determine the allowability of individual items of cost. Any costs for which payment has been made to Contractor that are determined by subsequent Caltrans audit to be unallowable under these regulations, are subject to repayment by Contractor to State.”

13.14.09.01 **Nonapplicability of Federal EEO and Wage Rate Laws**

FHWA has advised the State that federal laws relating to equal employment opportunities, wage rate requirements, and other similar requirements for recipients of federal aid do not apply to Owner-let contracts. This exception does not relieve the Owner of meeting federal laws that would apply irrespective of whether federal assistance is involved.